

A meeting of the **OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND GROWTH)** will be held as a **REMOTE MEETING VIA ZOOM** on **WEDNESDAY, 4 NOVEMBER 2020** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

1. MINUTES (Pages 3 - 8)

To approve as a correct record the Minutes of the Overview and Scrutiny Panel (Performance and Growth) meeting held on 7th October 2020.

Contact Officer: A Green 01223 752549

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 9 - 16)

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 01223 752548

4. CORPORATE PERFORMANCE REPORT 2020/21, QUARTER 2 (Pages 17 - 58)

The Corporate Performance Report 2020/21, Quarter 2 is to be presented to the Panel.

Contact Officer: J Taylor 01480 388119

5. FINANCIAL PERFORMANCE REPORT 2020/21, QUARTER 2 (Pages 59 - 88)

The Panel are to receive the Financial Performance Report 2020/21, Quarter 2.

Contact Officer: C Edwards 01480 388822

6. TREASURY MANAGEMENT SIX MONTH PERFORMANCE REVIEW (Pages 89 - 110)

The Treasury Management Six Month Performance Review is to be presented to the Panel.

Contact Officer: C Edwards 01480 388822

7. OVERVIEW AND SCRUTINY WORK PROGRAMME (Pages 111 - 114)

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

Contact Officer: A Green 01223 752549

Dated this 27th day of October 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](#)

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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. 01223 752549/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.

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

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND GROWTH) held as a remote meeting via Zoom on Wednesday, 7th October 2020

PRESENT: Councillor S J Corney – Chairman.

Councillors J C Cooper-Marsh, D B Dew, I D Gardener, Dr P L R Gaskin, M S Grice, J P Morris, A Roberts and S Wakeford.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor D J Wells.

IN ATTENDANCE: Councillors R Fuller and J Neish.

28 MINUTES

The Minutes of the meeting held on 16th September 2020 was approved as a correct record by the Panel.

29 MEMBERS' INTERESTS

Councillor S J Corney declared a non-statutory disclosable interest in relation to Minute Number 35 by virtue of being a Member on the Development Management Committee.

Councillor D B Dew declared a non-statutory disclosable interest in relation to Minute Number 35 by virtue of being a Member on the Development Management Committee.

Councillor I D Gardener declared a non-statutory disclosable interest in relation to Minute Number 35 by virtue of being a Member on the Development Management Committee.

Councillor A Roberts declared a non-statutory disclosable interest in relation to Minute Number 35 by virtue of being a Member on the Development Management Committee.

30 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 October 2020 to 31st January 2021.

31 OVERVIEW AND SCRUTINY WORK PROGRAMME

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

32 COMMUNITY INFRASTRUCTURE LEVY GOVERNANCE

Consideration was given to a report by the Service Manager – Growth (a copy of which has been appended in the Minute Book) to which the Community Infrastructure Levy (CIL) Governance was presented to the Panel.

The Executive Councillor for Strategic Planning introduced the report and informed Members that CIL funding is divided into three pots: ‘meaningful proportion’ for Town and Parish Councils, ‘Strategic’ for infrastructure projects which can unlock growth and a final pot to cover administration costs. It was confirmed that the report covered the ‘strategic’ pot. It was explained that it is proposed all applications seeking funding of £50k or less are to be decided by the Corporate Director (Place) and the Service Manager – Growth in consultation with the Executive Leader and the Executive Councillor for Strategic Planning.

Councillor Wakeford asked how equitable the process will be and how are Parishes encouraged to bid. However, in response the Panel was reminded that the process is not entirely equitable as some areas would have greater growth than others and would therefore require additional levy funding.

A comment was made, by Councillor Dew, that the proposed governance arrangements appeared more transparent and that he welcomed them. Councillor Dew added that he was content that some areas would receive more funding than other areas due to receiving more growth and that he agreed with the ethos that the levy funding should be for projects that provide an overall growth benefit for the District.

Councillor Roberts supported the comments made by Councillor Dew and added that he thought it is a well thought out proposal. In addition, after clarification was given, Councillor Roberts was reassured about what projects would classify as an urgent and unforeseen infrastructure requirement.

The Panel raised a concern over monitoring of the governance arrangements but Members were reassured that there will be a full monitoring report presented to Overview and Scrutiny and Cabinet twice a year.

RESOLVED

That the Cabinet be recommended to support the introduction of a new process for the allocation of CIL funding.

33 "PLANNING FOR THE FUTURE" WHITE PAPER CONSULTATION RESPONSE

With the aid of a report by the Service Manager – Growth (a copy of which has been appended in the Minute Book) the Council’s consultation response to the “Planning for the future” white paper was presented to the Panel.

The Executive Councillor for Strategic Planning introduced the report and informed the Panel that the paper reflected the District Council's response to the consultation and that other bodies and individuals had the opportunity to submit their own responses.

Councillor Roberts raised a concern regarding the proposal for an infrastructure levy set nationally and asked whether the response could strongly emphasise that a locally set infrastructure levy is the preferred option for the Council. The Executive Councillor explained that the proposal for a nationally set levy lacked detail and agreed that a locally set levy would be preferable. Councillor Roberts raised a further concern regarding the proposal to allow borrowing against the infrastructure levy. He argued that this carries a very significant level of risk for the Council and this should be highlighted in the response.

A query was raised, by Councillor Gardener, on how the Council are able to manage change going forward if the proposals are adopted, particularly with larger developments. In response, it was noted that the Government would prefer planning permission granted at an earlier stage but that the response will emphasise that phasing should remain.

Councillor Dew stated that the proposed changes and subsequent response does not cover the significant planning issue of land banking, although he recognised that the response form does not give the opportunity to mention the issue.

Councillor Wakeford asked about the impact the Council's response would have upon the proposals. Members were reassured that the proposals are not confirmed and that there is scope, through the consultation, to persuade the Government that there should be alterations to the proposals.

RESOLVED

That the Cabinet be recommended to consider Overview and Scrutiny's comments on the consultation and delegate authority to finalise and submit the Council's consultation response to the Service Manager – Growth and the Planning Policy Team Leader in consultation with the Executive Councillor for Strategic Planning.

34 HOUSING STRATEGY 2020-2025

The Panel considered a report by the Interim Corporate Director (a copy of which has been appended in the Minute Book) on the Housing Strategy 2020-2025.

The Executive Leader introduced the report and in doing so he stated that he appreciated the input Overview and Scrutiny had during the development of the Housing Strategy and added that he is pleased to see Overview and Scrutiny taking an active role in policy development. He reminded the Panel that the Council was not a stock-owning authority but that the District has significant housing challenges which the Council hopes to address through the Strategy.

Housing Consultant, Liz Bisset, thanked everyone who participated in the consultation and informed Members that generally there has been a positive response to the Strategy.

Reference was made to Gypsy and Traveller accommodation needs review, however it was explained to the Panel that Cambridgeshire County Council are responsible for the delivery of the review and a completion date has yet to be finalised.

The ambition of the Housing Strategy 2020-2025 was praised by Councillor Roberts and in addition he stated he supported the aims and objectives of the Action Plan, although he did raise a concern with regards to the proposed reduction in Disabled Facility Grant spending. In response, the Panel was reassured that the reduction in spend would focus on how to best make use of the funding available and achieve better value for money.

Councillor Cooper-Marsh was concerned how residents who are not eligible for a Housing Association property and who do not meet the eligibility criteria for private rented accommodation would be covered by the Strategy. The Panel was reassured that if the Council was to become a landlord of private properties then it could act in a more socially responsible way and could provide accommodation for such residents.

Councillor Dew stated that he thought the Strategy would be useful and will look forward to the Cabinet approving the Strategy and the accompanying one-year action plan. Councillor Corney added that he thought the Strategy is a credit to the Council and that it demonstrated a willingness to act and tackle the significant housing challenges facing the District.

In seeking reassurance that the Council would not rule out working with local authority partners, Councillor Wakeford and the rest of the Panel was informed that the Strategy does not set out rules but allows the Council to take a more pragmatic approach on who it will work with, depending on the circumstances at the time.

RESOLVED

That the Cabinet be recommended to agree the Housing Strategy for 2020-25 and the accompanying one-year action plan.

35 HOUSING DEVELOPMENT ON COUNCIL OWNED SITES

Consideration was given to a report by the Interim Corporate Director (a copy of which has been appended in the Minute Book) which proposes the sale of Council owned sites for housing development.

In introducing the report, the Executive Leader explained that the Council had undertaken a process and found a partner who is willing to work on all the sites identified as being suitable for development. He added that the report covers 13 sites and that another 30 sites owned by the Council were deemed as inappropriate for development. Consultant, Adrian Davey, added that the option of the Council self-developing the sites was reviewed, however it was deemed unpractical.

Councillor Corney stated that the approach of selecting appropriate sites to sell for development made sense and supported the recommendations as outlined within the report.

Councillor Wakeford wanted reassurance that a consultation would occur with the relevant communities to ensure that the impact of the decision to dispose of land for development would not adversely affect the community by removing its current use of the land. The Panel was reassured that a consultation would occur with the relevant Ward Members and Parish Councils in order to establish what community use, if any, the land currently has.

Councillor Dew commented that the potential for an additional 91 homes for affordable rent and affordable purchase within the District is positive and stated that he thought that Option 2, as highlighted by the report, is the correct option to select.

RESOLVED

The Overview and Scrutiny Panel (Performance and Growth) recommended that Cabinet endorse the recommendations as outlined within the report at Appendix A.

Chairman

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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: 21 October 2020
For Period: 1 November 2020 to 28 February 2021

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: Marge.Beuttell@huntingdonshire.gov.uk
Councillor S Bywater	Executive Councillor for Community Resilience and Well-Being	9 Crabapple Close Sawtry Huntingdon PE28 5QG Tel: 07984 637553 E-mail: Simon.Bywater@huntingdonshire.gov.uk
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: Ryan.Fuller@huntingdonshire.gov.uk

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Agenda Item 3

Councillor J A Gray	Executive Councillor for Finance and Resources	Vine Cottage 2 Station Road Catworth Huntingdon PE28 OPE Tel: 01832 710799 E-mail: Jonathan.Gray@huntingdonshire.gov.uk
Councillor D Keane	Executive Councillor for Corporate Services	1 Bells Villas Mill Street Houghton Cambridgeshire PE28 2BA Tel: 01480 467147 E-mail: David.Keane@huntingdonshire.gov.uk
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: Jon.Neish@huntingdonshire.gov.uk
Councillor K Prentice	Executive Councillor for Leisure and Regulatory Services	2 Ushers Court 89 Great North Road Eaton Socon St Neots PE19 8EL Tel: 01480 214838 E-mail: Keith.Prentice@huntingdonshire.gov.uk

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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.

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 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)

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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
Community Chest Grant Aid Awards 2020/21	Grants Panel	11 & 25 Nov 2020 9 & 23 Dec 2020 6 & 20 Jan 2021 3 & 17 Feb 2021		Claudia Deeth, Community Resilience Manager Tel No: 01480 388233 or email: Claudia.Deeth@huntingdonshire.gov.uk		R Fuller & S Bywater	Customers and Partnerships
Digital Strategy***	Cabinet	19 Nov 2020		Tony Evans, Assistant Director (Transformation) Tel No: 07729 479446 or email: Tony.Evans@huntingdonshire.gov.uk		D Keane	Customer and Partnerships
Tree Strategy	Cabinet	19 Nov 2020		Tamsin Miles, Arboricultural Officer Tel No: 01480 388679 or email: Tamsin.Miles@huntingdonshire.gov.uk		J Neish	Customer and Partnerships

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
Approval of Council Tax Base 2021/22	Chairman of Corporate Governance and Section 151 Officer	8 Dec 2020		Amanda Burns, Revenues and Benefits Manager Tel No: 01480 388122 or email: Anmanda.Burns@huntingdonshire.gov.uk		J A Gray	Performance and Growth
Waste Minimisation Strategy	Cabinet	10 Dec 2020		Neil Sloper, Head of Operations Tel No: 01480 388635 or email: Neil.Sloper@huntingdonshire.gov.uk		Mrs M L Beuttell	Customer and Partnerships
Buckden Neighbourhood Plan	Cabinet	10 Dec 2020		Clare Bond, Planning Policy Team Leader Tel No: 01480 388435 or email: Clare.Bond@huntingdonshire.gov.uk		J Neish	Performance and Growth

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Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Reasons for the report to be considered in private (paragraph no.)	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Lettings Policy Review	Cabinet	10 Dec 2020		Jon Collen, Housing Needs and Resource Manager Tel No: 01480 388220 or email Jon.Collen@huntingdonshire.gov.uk		R Fuller	Customers and Partnerships
Final 2020/21 Revenue Budget and Medium Term Financial Strategy (2022/23 to 2025/26) Including the Capital Programme***	Cabinet	11 Feb 2021		Claire Edwards, Chief Financial Manager Tel No: 01480 388822 or email: Claire.Edwards@huntingdonshire.gov.uk		J Gray	Performance and Growth

Public Information

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
2021/22 Treasury Management, Capital and Investment Strategies***	Cabinet	11 Feb 2021		Claire Edwards, Chief Financial Manager Tel No: 01480 388822 or email: Claire.Edwards@huntingdonshire.gov.uk		J Gray	Performance and Growth
Community Infrastructure Levy Governance***	Cabinet	11 Feb 2021		Clara Kerr, Service Manager - Growth Tel No: 01480 388430 or email: Clara.Kerr@huntingdonshire.gov.uk		J Neish	Performance and Growth

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Performance Report 2020/21, Quarter 2

Meeting/Date: Overview and Scrutiny Panel (Performance and Growth), 4th November 2020

Executive Portfolio: Executive Councillor for Strategic Planning

Report by: Business Intelligence and Performance 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 and current projects from the Cabinet report attached.

Please note the report does not incorporate the usual Financial Performance Monitoring Suite information setting out the financial position at the end of the Quarter. This information is being reported as a separate item to Overview and Scrutiny (Performance and Growth) Panel and Cabinet, due to the need for separate focus on financial matters as a result of the impact from Covid-19.

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Performance Report 2020/21, Quarter 2

Meeting/Date: Cabinet, 19th November 2020

Executive Portfolio: Executive Councillor for Strategic Planning

Report by: Business Intelligence and Performance Manager

Wards affected: All

Executive Summary:

The purpose of this report is to brief Members on progress against Key Actions and Corporate Indicators listed in the Council's Corporate Plan 2018/22 for the period 1 July to 30 September 2020 and on current projects being undertaken.

Key Actions, Corporate Indicators and targets are as included in the Corporate Plan Refresh 2020/21, as approved by Council on 14 October 2020.

The report does not incorporate the usual Financial Performance Monitoring Suite information setting out the financial position at the end of the Quarter. This information is being reported as a separate item to Overview and Scrutiny (Performance and Growth) Panel and Cabinet, due to the need for separate focus on financial matters as a result of the impact from Covid-19.

Recommendation:

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.

1. PURPOSE

- 1.1 The purpose of this report is to present details of delivery of the Corporate Plan 2018/22, and project delivery.

2. BACKGROUND

- 2.1 The Council's Corporate Plan has recently been refreshed to reflect the impact of Covid-19 on services and was approved at the Council meeting on 14 October 2020. The performance data in this report and its appendices relates to the indicators and actions selected for 2020/21. The information in the summary at **Appendix A** relates to Key Actions and Corporate Indicators and the performance report at **Appendix B** details all results at the end of September.
- 2.2 As recommended by the Project Management Select Committee, updates for projects based on latest approved end dates are included at **Appendix C**. Across all programmes there are currently 17 projects which are open, pending approval or pending closure.

3. PERFORMANCE MANAGEMENT

- 3.1 Members of the Overview and Scrutiny (Performance and Growth) Panel have an important role in the Council's Performance Management Framework and a process of regular review of performance data has been established. The focus is on the strategic priorities and associated objectives to enable Scrutiny to maintain a strategic overview. Their comments on performance in Quarter 2 will be submitted to Cabinet with this report following the Overview and Scrutiny meeting on 4 November 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 2. **Appendix C** provides information about projects, including the purpose of the project and commentary from the project managers as to the current status of each project.
- 3.3 Performance Indicator data has been collected in accordance with standardised procedures.
- 3.4 The following table summarises Quarter 2 progress in delivering Key Actions for 2020/21:

Status of Key Actions	Number	Percentage
Green (on track)	30	77%
Amber (within acceptable variance)	9	23%
Red (behind schedule)	0	0%
Awaiting progress update	0	0%
Not applicable	0	

Most key actions were on track at the end of Quarter 2 and none were significantly behind schedule.

Actions which have seen positive progress include:

- KA 2. The Healthy Open Spaces Strategy and Plan finalised during the Quarter has since been approved at Cabinet.
- KA 4. Hardship fund payments totalling over £500k have been awarded to 5,300 Council Tax Support recipients and we are encouraging new Universal Credit claimants liable for Council Tax to apply for Council Tax Support.
- KAs 5 & 7. Pathways and protocols previously developed for Housing helped mitigate against prisoners being released onto the streets during the Covid-19 pandemic, with additional family accommodation due to be available from October.
- KAs 10, 11 & 12. Flexibility built into new contracts with community organisations has helped with the local response to Covid-19, supporting residents, volunteers and community groups. Local job clubs being developed will help people find work.
- KA 13. Work is underway on final stages of the new park in St Ives.
- KAs 15, 21 & 31. A Waste Minimisation Plan has been drafted to go to Cabinet in November, an Economic Growth Strategy is currently in development and a new Housing Strategy has been prepared for submission to Cabinet during Quarter 3.
- KAs 22, 24, 25 & 27. HDC continues to be involved in supporting critical transport infrastructure developments including the A428, East-West Rail and A14.
- KAs 29 & 30. Development of strategic housing sites and associated infrastructure at Wintringham Park, Alconbury Weald and Bearscroft has continued, with work to support delivery of affordable homes including a proposal to sell 13 parcels of land for the delivery of affordable homes which has now been approved by Cabinet.
- KA 38. While work to expand online and out of hours access to services via the customer portal has been delayed, priority was given to development of additional digital resources to support residents and businesses through the pandemic.

Most of the Key Actions that have been given an Amber status relate to impacts from the effects of the national lockdown and the impacts of Covid-19 on our activities. The pandemic directly affected our ability to provide leisure and health opportunities (KAs 1 & 3) and is referenced as a factor in delays to KA 14 (planning to protect and increase biodiversity in our parks and open spaces), KA 20 (work to deliver economic growth), KA 32 (achieving a market return from Council assets) and KA35 (financial recovery).

3.5 Quarter 2 results for 2020/21 Corporate Indicators are shown in the following table:

Corporate Indicator results	Number	Percentage
Green (achieved)	17	57%
Amber (within acceptable variance)	10	33%
Red (below acceptable variance)	3	10%
Awaiting progress update	0	0%
Not applicable (annual/data unavailable/ targets TBC)	7	

While the majority of performance indicators were on track at the end of Quarter 2, three were given a Red status because performance was below an acceptable variance. A summary of the performance indicators follows on the next page with more detail provided in Appendix B. It should be noted that following the decision to postpone the Corporate Plan refresh to allow it to reflect the impacts of Covid-19, targets have been revised to account for these impacts where possible. In some cases, the full extent of the impact of the pandemic/lockdown on services is still being assessed and final targets are still to be confirmed. These targets are marked as TBC in Appendix B, with the indicators where performance cannot be assessed included in the 'Not applicable' category in the table above.

Indicators where services are meeting or exceeding their targets include the following:

- Pls 1 & 2. Despite high numbers of new claims and change events arising from the impacts of Covid-19 on local residents, the speed of processing new claims and changes of circumstances remains within the target.
- PI 3. The number of people prevented from becoming homeless to the end of Quarter 2 was above target despite the impact of lockdown limiting prevention activities. Court action on evictions was also suspended during this period.
- Pls 9, 10 & 11. Performance of street cleansing and waste collection teams has remained high, with less litter to clear in urban areas, a reduction in the number of bins not collected and an improvement in waste recycled/reused/composted.
- PI 12. Complaints about food premises remain low due to closure during lockdown.
- Pls 14, 15 & 25. Numbers of appeals allowed against licensing and planning decisions remain low, with no cost awards against the Council where a planning application was refused contrary to the officer recommendation so far this year.
- PI 28. Staff sickness remains low although there is uncertainty about the further impacts of Covid-19 on employee health this winter. This is expected to be discussed when the Quarter 2 Workforce Report goes to Employment Committee.
- Pls 33, 34 & 36. The speed of resolving complaints at both Stage 1 and Stage 2 has improved and there has also been an increase in the number of customer portal accounts set up by residents.

Indicators where services are below their targets as a direct result of the impact of Covid-19 are:

- Pls 4, 5, 6, 7 & 8. One Leisure centre and Active Lifestyles activities and participant numbers were significantly affected by closure during lockdown and changes to how they operate and customer behaviours since. Predicted volumes at the year end are expected to be significantly lower than achieved in 2019/20 as a result.
- PI 20. The number of new affordable homes delivered was below target at 124 against a target of 162. Forecasts for the year end from Registered Providers are also down on the previous expectation for the whole of 2020/21.
- Pls 23 & 24. Collection rates for both Business Rates and Council Tax have been significantly affected despite efforts to ensure all appropriate grants and discounts for businesses, and Council Tax Support and hardship payments for residents, are applied. The collection rates are not expected to recover by the end of the year.

Indicators where services are below their targets as they are likely to have been impacted as result of the impact of Covid-19 are:

- PI 27. Invoice payment within 30 days remains well below target, with Finance reporting that it has been moderately impacted by working from home arrangements for staff. Performance has started to improve through the Quarter.

There were no Red indicators with performance below acceptable variance that were not linked to Covid-19 or the impact of the lockdown on services.

3.6 The status of corporate projects at the end of September is shown in the following table. With a Programme Delivery Manager now in place, a programme-based approach to delivery is due to be applied for projects within the Customer Portal, Market Town Strategies and Covid Recovery umbrellas. The latter two are being scoped out and the Customer Portal project has been split into a series of projects.

Corporate project status	Number	Percentage
Green (progress on track)	9	53%
Amber (progress behind schedule, project may be recoverable)	4	24%
Red (significantly behind schedule, serious risks/issues)	4	24%
Pending closure	0	
Closed (completed)	0	

There are four projects showing as Amber and another four were Red at the end of Quarter 2. Two of these are projects previously reported under a single Customer Portal project, which had been at Red status since the last quarter of 2019/20 before being split into four separate projects which form the Customer Service programme. The St Benedicts Court Regeneration project requires further discussion before next steps can be taken and the start date for the 3G Artificial Pitch at One Leisure Ramsey has now been delayed to help manage risks associated with the archaeological works.

Details of all projects can be found in **Appendix C**.

4. COMMENTS OF OVERVIEW & SCRUTINY PANELS

- 4.1 The Overview and Scrutiny (Performance & Growth) Panel is due to receive this report at its meeting on 4 November 2020. Comments from the Panel will be submitted to Cabinet with this report.

5. RECOMMENDATIONS

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

6. LIST OF APPENDICES INCLUDED

Appendix A – Corporate Performance Summary 2020/21, Quarter 2

Appendix B – Corporate Plan Performance Report 2020/21, Quarter 2

Appendix C – Project Performance, September 2020

CONTACT OFFICERS

Corporate Plan Performance Monitoring (Appendices A and B)

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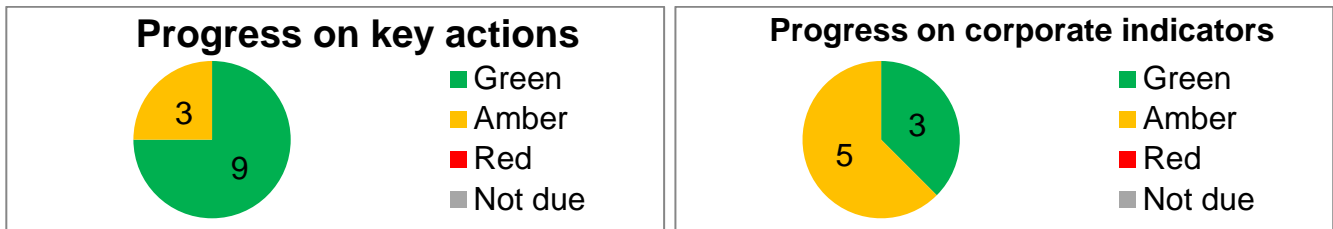
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Appendix A

Corporate Performance Summary 2020/21, Quarter 2

People

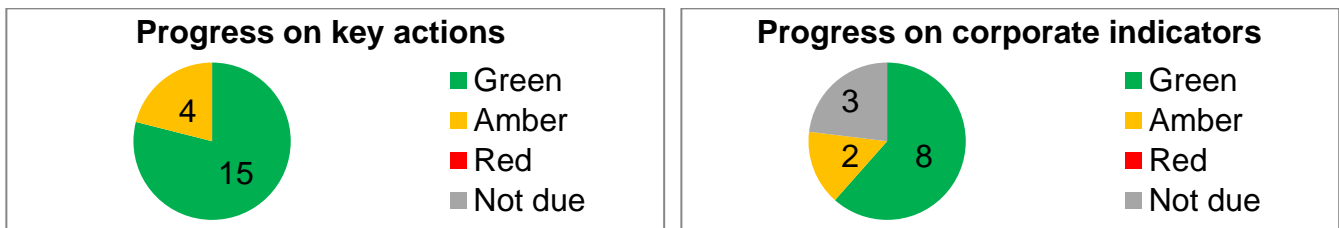
We want to make Huntingdonshire a better place to live, to improve health and well-being and for communities to get involved with local decision making



Highlights include the award of over £500k in hardship fund payments to 5,300 Council Tax Support claimants.

Place

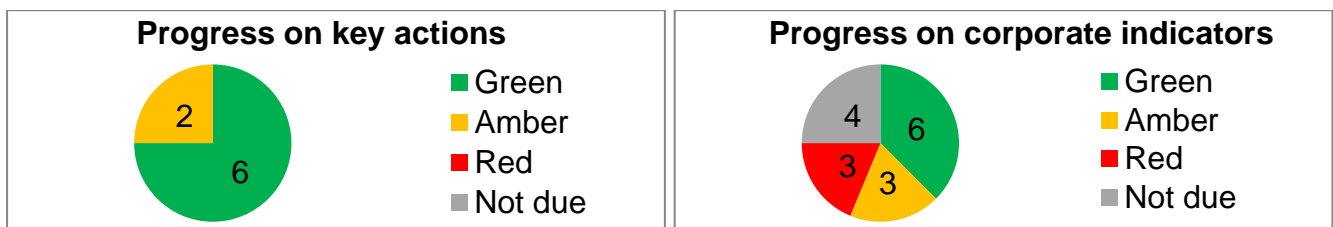
We want to make Huntingdonshire a better place to work and invest and we want to deliver new and appropriate housing



Highlights include a household waste recycling/reuse/composting rate of 64% (up from 62% at Quarter 2 last year), with an increase in dry recycling seen due to changing habits and more working from home.

Becoming a more efficient and effective council

We want to continue to deliver value for money services



Highlights include over 17,600 accounts registered on our Customer Portal platform, with residents able to access services digitally outside of the Council's working hours.

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CORPORATE PLAN – PERFORMANCE REPORT

Appendix B

STRATEGIC THEME – PEOPLE

Period July to September 2020

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
9		3		0		0		0	

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

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
3		5		0		0		0	

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

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
A	KA 1. Work in partnership to provide greater leisure and health opportunities to enable more people to be more active, more often	Ongoing	Cllr Prentice / Cllr Bywater	Jayne Wisely	Work continues with partners where restrictions allows, however some partners are not in place to work together currently. New partnerships are being explored where possible. Some good work with Parish Councils over the summer enabled some holiday activity provision. Training Shed now fully

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					opening and memberships growing but continues to be under scrutiny against revised Covid-19 targets.
G	KA 2. Establish a Healthy Open Spaces Strategy and Plan to maximise the health benefits of the Council's Parks and Open Spaces	Strategy to Cabinet, 22/10/2020	Cllr Beuttell	Neil Sloper	Approved 22nd October.
A	KA 3. Recovery Action (One Leisure and Active Lifestyles – e.g. promoting health and wellbeing, sport and fitness activities, weight loss, healthy eating)	Ongoing	Cllr Prentice / Cllr Bywater	Jayne Wisely	Active Lifestyles classes and sessions coming back where possible in line with guidance. New links with BMI Can Do it and Healthy You contract to aid recovery. Some previous sessions with targeted groups (disabilities/care homes) will take longer to recover. Key facility delivered activities (Gym, Swim and Classes) are now open (with capacity restrictions) and performing well - ahead of modelling with St Ives and St Neots at capacity. Work being undertaken to increase capacity potential where possible. Discussions underway regarding "non-key" activity delivery.
G	KA 4. Provide financial assistance to people on low incomes to pay their rent and Council Tax	Ongoing	Cllr Gray	Amanda Burns	Over £500k in hardship fund payments have been given to 5,300 claimants on Council Tax Support (CTS). Contact is made with customers claiming Universal Credit to advise them to apply for CTS.
G	KA 5. 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	Early interventions principles strengthened through pathways and protocols that have been introduced with others still in the pipeline. Pandemic response to the prison release programme was a good example of where public sector agencies followed the established pathways to ensure that early multi-agency interventions mitigated against possible releases of prisoners onto the streets. Other pathways still being established and embedded with mental health and substance misuse services.

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
A	KA 6. Adopt a new Homelessness Strategy and a new Lettings Policy	December 2020	Cllr Fuller	Jon Collen	Revised Lettings Policy to go through consultation throughout November and December with formal adoption through February '21 Member cycles. Homelessness Strategy to be consulted on throughout December and January with formal adoption through Portfolio lead and Chief Operating Officer in February '21.
G	KA 7. Identify and implement solutions to eradicate the need to place homeless families in B&Bs	Ongoing	Cllr Fuller	Jon Collen	Although use of hotels and B&Bs increased for single rough sleepers as part of 'Everyone In' pandemic response, this accommodation is not used for families with children. Alternative units of family short-term units coming online in October (Crown Gardens) that will increase stock available and ensure no use of B&Bs for families unless as extreme last resort.

WE WANT TO: Develop a flexible and skilled local workforce

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 8. Recovery Action (Community / Economic Development – e.g. promoting opportunities for local people to improve their skills and experience)	Ongoing	Cllr Neish	Finlay Flett / Clara Kerr	All opportunities from Government and Combined Authority actively promoted on WeAreHuntingdonshire website. Kickstart scheme anticipated in Q3.

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

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 9. Support community planning including working with parishes to complete Neighbourhood Plans	Ongoing	Cllr Neish	Clara Kerr	Continuing to work with Parish Councils. Cabinet Office has confirmed that elections/referendums will not be before May '21. For those caught by Covid-19,

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					the Planning Inspectorate have confirmed significant weight for those at the point of referendum.
G	KA 10. Award and manage contracts for a public advice service and an infrastructure and support service for the voluntary sector	Ongoing	Cllr Gray / Cllr Bywater	Finlay Flett	Contracts let for 2020-23 in April 2020. New contracts include ability to flex contract objectives to meet changing HDC priorities. In the past 6 months, this has seen new work for both providers linked to Covid-19 response, recovery and community support.
G	KA 11. Develop our asset-based approach to working with partners to improve opportunities for residents in the Oxmoor area, taking actions to increase community resilience and reduce demands and pressures on partner organisations	Ongoing	Cllr Bywater	Finlay Flett	Work on Oxmoor to be included in emerging Community Strategy. Work specific to Oxmoor continues, including development and support for new Recognised Organisations, promoting volunteering and community engagement. Focus on community based and community led Job Club to help local residents secure employment locally.
G	KA 12. Recovery Action (Community – e.g. work with Recognised Organisations or other community organisations to increase volunteering)	Ongoing	Cllr Bywater	Finlay Flett	Network of community organisations has increased in response to ongoing Covid-19 issues. Ongoing work will focus on retaining skills and input from the volunteers who have come forward since April. New Community Strategy will retain this as a key outcome.

Corporate Performance and Contextual Indicators

Key to status

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
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Performance Indicator	Full Year 2019/20 Performance	Q2 2019/20 Performance	Q2 2020/21 Target	Q2 2020/21 Performance	Q2 2020/21 Status	Annual 2020/21 Target	Forecast Outturn 2020/21 Performance	Predicted Outturn 2020/21 Status
PI 1. Average number of days to process new claims for Housing Benefit and Council Tax Support (cumulative year to date) Aim to minimise	23	23	24	21	G	24	22	G

Comments: (Revenues & Benefits) It was expected that new claims would reduce as Housing Benefit for working age people transfer to Universal Credit, but numbers of claims have remained consistent due to the impact of Covid-19.

PI 2. Average number of days to process changes of circumstances for Housing Benefit and Council Tax Support (cumulative year to date) Aim to minimise	3	4	5	5	G	5	4	G
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Comments: (Revenues & Benefits) The number of change events processed remains high due to the impact of Covid-19.

PI 3. Number of homelessness preventions achieved (cumulative year to date)	521	272	200	232	G	400	450	G
Aim to maximise								

Comments: (Housing Needs & Resources) Cumulative number of successful homelessness preventions to the end of Q2 are 232 (119 in Q1 & 113 in Q2). Prevention work impacted during the pandemic lockdown as Court Action suspended and prevention activities also more limited. Annual target had therefore been reduced but we are exceeding this at present.

PI 4. 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)	43,383	44,248	32,000	30,178	A	40,000	38,000	A
Aim to maximise								

Comments: (Leisure and Health) Slight lag on recovery as Centres did not open fully as anticipated. With most productive 6 months of the year to follow - barring any further restrictions - it is still possible to recover and see more members using the facilities.

PI 5. More people taking part in sport and physical activity: Number of individual One Leisure Active Lifestyles service users (cumulative year to date)	4,023	2,762	N/a	724	A	1,400	1,400	G
Aim to maximise								

Comments: (Leisure and Health) Active Lifestyles are aiming to bring more activities back in the coming months but there are still restrictions on number of people allowed to attend and some partners are not looking to commission us until the new year at the earliest.

PI 6. Providing more opportunities for people to be more active: Number of sessions delivered by One Leisure Active Lifestyles (cumulative year to date)	4,526	1,725	N/a	409	A	1,500	1,500	G
Aim to maximise								

Comments: (Leisure and Health) Sessions will be added where possible to provide opportunities to people to participate (the sessions will have restrictions on numbers).

PI 7. People participating more often: Number of One Leisure Facilities admissions – swimming, Impressions, fitness classes, sports hall, pitches, bowling and Burgess Hall (excluding school admissions) (cumulative year to date)	1,425,633	749,135	150,000	135,531	A	350,000	340,000	A
Aim to maximise								

Comments: (Leisure and Health) As with live members there is a slight lag due to delayed opening of some areas. Numbers are growing week on week however and the 4th quarter of the year is traditionally significantly busier than all others. It is still therefore possible to make the adjusted target.

PI 8. People participating more often: One Leisure Active Lifestyles total attendances (cumulative year to date)	57,098	29,097	N/a	2,683	A	12,000	12,000	G
Aim to maximise								

Comments: (Leisure and Health) Attendances have taken a big hit on the first 6 months and will continue to do so with restrictions on numbers allowed to attend sessions. Work will continue to get as many people back and look at new opportunities where possible.

STRATEGIC THEME – PLACE

Period July to September 2020

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
15		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

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
8		2		0		0		3	

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

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 13. Establish a new park in St Ives	31 March 2021	Cllr Beuttell	Neil Sloper	Final stages of works underway with date for opening being established. On track for Q4.
A	KA 14. Adopt a plan and deliver increases in nature – protecting and increasing biodiversity within our parks and open spaces	30 June 2021	Cllr Beuttell	Neil Sloper	Work on hold due to Covid-19 and maintaining service delivery. Anticipated delivery now Q2 2021/22.
G	KA 15. Adopt Waste Minimisation Plan and deliver programme of waste	Strategy to Cabinet,	Cllr Beuttell	Neil Sloper	Strategy report goes to Senior Leadership Team on 27 October and will then be considered at Overview &

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
	minimisation activities to encourage people to reduce, re-use and recycle	December 2020			Scrutiny and Cabinet. Once adopted the strategy will be implemented. Strategy scheduled for Cabinet 19/11/2020.
A	KA 16. Install electric vehicle charging points in specific council owned car parks	31 March 2021	Cllr Beuttell	Neil Sloper	Impacted by contractor availability. Capital growth bid to increase reach to all car parks submitted. Final survey to inform options to maximise number of points in car parks will be concluded end of November.
A	KA 17. Install secure cycle storage facilities in specific council owned car parks	31 March 2021	Cllr Beuttell	Neil Sloper	Impacted by contractor availability and need to prioritise electric charging project. Plan for pilot sites to be installed in Q4 with remainder in 2021/22 to be informed by pilot and customer survey.

WE WANT TO: Accelerate business growth and investment

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 18. Develop a Regeneration Plan	TBC	Cllr Fuller	Clara Kerr	With Senior Leadership Team lead for feedback.
G	KA 19. Prepare options reports for the redevelopment of the Bus Station Quarters in St Ives and Huntingdon	September St Ives, December H'don	Cllr Fuller	Clara Kerr	Now part of KA 23, progress on this will be reported there.
A	KA 20. Work with partners across the Cambridgeshire economy to deliver the ambitions of the Cambridgeshire and Peterborough Independent Economic Review / Local Industrial Strategy	Ongoing	Cllr Fuller	Clara Kerr	Covid-19 has impacted on aims of the Review. Team are working closely with the Cambridgeshire & Peterborough Combined Authority (CPCA) on accelerating recovery to mitigate economic impact of Covid-19.
G	KA 21. Recovery Action (Economic Development – Economic Growth Strategy)	Q3	Cllr Fuller	Clara Kerr	Economic Growth Strategy in development.

WE WANT TO: Support development of infrastructure to enable growth

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 22. 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	Outcomes of A141 study supported by HDC; in addition CPCA have committed to a dedicated St Ives Study to be undertaken with a view to unlocking additional growth beyond the Huntingdonshire Local Plan to 2036.
G	KA 23. Support the implementation of 'Prospectuses for Growth' for St Ives, Huntingdon and Ramsey and the St Neots Masterplan	Ongoing	Cllr Fuller	Clara Kerr	Bid submitted to CPCA for £300k to undertake regeneration studies in St Ives, Huntingdon and Ramsey. If successful, will be notified in Q3 and procurement will get underway.
G	KA 24. Continue to provide active input into and work with partners on key transport developments, including the A428, East-West Rail (EWR) and A14 improvements	Ongoing	Cllr Neish	Clara Kerr	Planning Performance Agreement with neighbouring authorities underway for A428; First EWR Development Consent Order discussion took place at the end of September and further information expected in Q3. A further non-statutory consultation is expected early 2021.
G	KA 25. Work with partners to develop Oxford-Cambridge Arc (Ox-Cam) growth corridor proposals and maximise the opportunities this can offer locally	Ongoing	Cllr Neish	Clara Kerr	HDC attends the A428 Strategic Stakeholder Board; Ongoing dialogue with all partners. Expected to intensify in Q3 as Development Consent Orders progress both for A428 and EWR.
G	KA 26. Prepare and implement an updated Section 106 Supplementary Planning Document and Community Infrastructure Levy charging schedule	Ongoing	Cllr Neish	Clara Kerr	Portfolio Holder agreement to pause given impact of Covid-19 on economic market.
G	KA 27. Recovery Action (Economic Development - enable growth	Ongoing	Cllr Neish	Clara Kerr	Transport for Huntingdon will restart in Q3; A141 support to Cabinet in Sept.

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
	through infrastructure development)				

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 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 28. 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	Reviewed annually; Annual Monitoring Report 2020 Part 1 (housing) due in Q3.
G	KA 29. Facilitate delivery of new housing and appropriate infrastructure	Ongoing	Cllr Fuller / Cllr Neish	Clara Kerr	Growth team working closely with developers to ensure strategic sites and associated infrastructure are delivered on site. New primary school at Wintringham Park moving at pace, parcels at Wintringham Park and Alconbury Weald are under construction, and final parcels at Bearscroft under consideration.
G	KA 30. Design and implement strategies to use Council assets to support the delivery of affordable homes	Ongoing	Cllr Fuller / Cllr Gray	David Edwards	A report to be submitted to Cabinet in October will propose the sale of 13 parcels of land held by HDC for the delivery of affordable homes.
G	KA 31. Recovery Action (Housing Strategy and/or Planning/Growth - e.g. prepare and adopt new Housing Strategy)	Ongoing	Cllr Fuller	Clara Kerr	To be submitted to Cabinet in Q3.

Corporate Performance and Contextual Indicators

Key to status

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
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Performance Indicator	Full Year 2019/20 Performance	Q1 2019/20 Performance	Q1 2020/21 Target	Q1 2020/21 Performance	Q1 2020/21 Status	Annual 2020/21 Target	Forecast Outturn 2020/21 Performance	Predicted Outturn 2020/21 Status
PI 9. 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%	96%	80%	98%	G	80%	80%	G

Comments: (Operations) The pandemic is still affecting people's attitude to going out, we are seeing less litter in and around urban areas although more in open spaces.

PI 10. Number of missed bins per 1,000 households (cumulative year to date) Aim to minimise	0.79	0.84	0.75	0.57	G	0.75	0.60	G
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Comments: (Operations) Work continues to support the collection crews to ensure bins aren't being missed. In-cab technology is now in place which will further assist with this.

PI 11. Percentage of household waste recycled/reused/composted (cumulative year to date) Aim to maximise	60%	62%	60%	64%	G	60%	60%	G
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Comments: (Operations) Organic waste increases throughout the summer months so the year to date figure is high. As the year progresses, organic waste weight drops and we will see the recycling rate decrease slightly. We have however seen an increase in dry recycling due to changing habits and more people working from home due to the pandemic.

PI 12. Number of complaints about food premises (cumulative year to date) Aim to minimise	748	?	TBC	48	G	TBC	?	N/a
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Comments: (Community) Numbers remain significantly down due to closure of premises through Covid-19.

PI 13. Percentage of licensed taxi/hackney carriage/private hire vehicles that meet 'Euro 6' low vehicle emission standards (latest position at end of each quarter) Aim to maximise	N/a	N/a	40%	32%	A	40%	<40%	A
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Comments: (Community) New indicator so no past performance data available.

PI 14. Total number of appeals allowed as a percentage of total number of planning appeals decided (cumulative year to date)	25% (4 out of 16)	0%	25%	15%	G	15%	15%	G
Aim to minimise								

Comments: (Development) Betterment compared to last year. In Q2 alone, the service successfully defended 100% of appeals (12 out of 12). Cumulative percentage from April to Sept 2020 is 3 out of 20 appeals allowed, so 15%. The service is improving year on year in respect of appeals.

PI 15. 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)	1	0	0	0	G	0	0	G
Aim to minimise								

Comments: (Development) Committee decisions were sound and this is reflected in an improvement in respect of cost position compared to last year (Dignitas appeal allowed with costs).

PI 16. The amount of Community Infrastructure Levy (CIL) funding allocated for small-scale infrastructure development (cumulative year to date)	N/a	N/a	0	0	G	TBC	TBC	N/a
Aim to maximise								

Comments: (Growth) New indicator so no past performance data available. CIL governance paper due to October Cabinet. Expected first allocations to be presented to Cabinet in November/December 2020.

PI 17. Percentage of planning applications processed on target – major (within 13 weeks or agreed extended period) (cumulative year to date)	87%	92%	TBC	86%	N/a	TBC	85%	N/a
Aim to maximise								

Comments: (Development) Target still to be confirmed as further time is needed to review the impact of Covid-19 on the planning service locally and how this has affected national benchmark performance levels.

PI 18. Percentage of planning applications processed on target – minor (within 8 weeks or agreed extended period) (cumulative year to date)	78%	74%	TBC	78%	N/a	TBC	78%	N/a
Aim to maximise								

Comments: (Development) Target still to be confirmed as further time is needed to review the impact of Covid-19 on the planning service locally and how this has affected national benchmark performance levels.

PI 19. Percentage of planning applications processed on target – household extensions (within 8 weeks or agreed extended period) (cumulative year to date)	88%	72%	TBC	83%	N/a	TBC	82%	N/a
Aim to maximise								

Comments: (Development) Target still to be confirmed as further time is needed to review the impact of Covid-19 on the planning service locally and how this has affected national benchmark performance levels.

PI 20. Number of new affordable homes delivered in 2020/2021 (cumulative year to date)	440	180	162	124	A	338	293	A
Aim to maximise								

Comments: (Growth) There have been significant changes in numbers forecast by Registered Providers since the last report. Reduction in the number of affordable homes that will be completed is likely to occur. By far the most significant factor is Covid-19 (although forecasting can change even in normal circumstances). Forecast completions were 338 but this is now estimated to be 293 and further changes can be expected during the course of the year. The number of completions expected by end of Q2 has also reduced from 162 to 124.

PI 21. Net growth in number of homes with a Council Tax banding (cumulative year to date)	1,185	564	No target set	434	G	No target set - defer to Annual Monitoring Report	?	N/a
Aim to maximise								

Comments: (Growth) The total at 27 September 2020 is 434 higher than at 29 March 2020. House building has been affected by lockdown measures already and may also be impacted by the state of the national and local economy so any forecasts at this stage are unlikely to reflect delivery.

STRATEGIC THEME – BECOMING A MORE EFFICIENT AND EFFECTIVE COUNCIL

Period July to September 2020

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
6		2		0		0		0	

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

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
6		3		3		0		4	

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

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
A	KA 32. Actively manage Council owned non-operational assets and, where possible, ensure such assets are generating a market return for the Council	Ongoing	Cllr Gray	Justin Andrews	Three lettings, one rent review and one lease renewal completed in Q2, increasing rent by £5k p.a (21% increase on previous rent). Year to date activity now totals 6 rent reviews and lease renewals at an increase of £6.5k p.a. and 4 lettings at new rent of £45.4k p.a. Covid-19 is impacting, with 8 tenants having served notice to quit/break leases and one entered a Company Voluntary Arrangement with unit

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					closing (total loss of £143k annual rent over 9 units). Five of these units have attracted re-let interest. A handful of additional lettings are approved and in legals ahead of Q3 with potential additional rental income of £20k p.a. Smaller units are generating some interest and maintaining income levels, larger units less so. One wayleave completed at one off income of £500.
G	KA 33. Develop the Council's approach to data and business intelligence to support efforts to improve organisational efficiency including the development of unit cost and value metrics to measure service performance	Ongoing	Cllr Gray	Tony Evans	Much of our recent focus has been on identifying and targeting support for vulnerable people as part of our response to Covid-19. The Operational Board is continuing to review service performance and finances monthly with a focus on improving productivity. The Corporate Plan 2020/21 has now been approved by Council with key actions and performance indicators amended to reflect this year's work programme and take the impact of Covid-19 on our planned activities into account.
G	KA 34. Develop the Council's approach and methodologies for business change, service design and user research to enable effective change management within the organisation	Ongoing	Cllr Keane	Tony Evans	Working with the new Programme Delivery Manager role, we continue to embed business change into all phases of project management from start to finish including tracking the delivery of business benefits. We are working with HR to support training of senior managers on the 'double diamond' approach to change to ensure we can be effective and efficient.
A	KA 35. Recovery Action (Finance e.g. respond to impact on budget)	Ongoing	Cllr Gray	Justin Andrews	Close monitoring of our financial position is imperative during this period of economic turmoil. We have engaged external expertise 'Pixel' to aid with our funding assumptions and mapping. Parts of our business are undertaking fundamental reviews of their business model to deal with losses of income and predicted shortfalls going forward. S151 Officer is

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					pursuing novel structural options such as a Minimum Revenue Provision 'holiday' and identifying other options which could be taken up should circumstances demand. More detail is given in financial reporting and that should be taken as the prime source of information.
G	KA 36. Develop Workforce Strategy including options for best use of apprenticeship levy	Ongoing	Cllr Keane	Justin Andrews	<p>Our future Workforce Strategy relies on a number of 'Left Hand' Strategies to be written to give direction to this work. In the current situation and post-COVID, our needs and the shape of our Workforce is likely to need to be quite different to pre-COVID and even from right now. This Strategy must remain a Work in Progress or transition arrangement until such time as a 'new normal' develops.</p> <p>The Apprenticeship Levy remains a part of our strategy which can be leveraged seperately from any formal updates and opportunities are taken up as they arise.</p>

WE WANT TO: Become a more customer focussed organisation

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 37. Develop our understanding of customer and resident needs and demands	Ongoing	Cllr Keane	Michelle Greet	Work on the proposal to introduce a customer forum is well underway. Input and feedback has been received from many people across the organisation. An agenda item is scheduled for the Operational Senior Leadership Team meeting on 3rd November and Corporate Senior Leadership Team on 4th November to gain commitment to proceed in January 2021.

Status	Key Actions for 2020/21	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 38. Expand how we offer online and out of hours access to our services via the customer portal and other solutions	Ongoing	Cllr Keane	Michelle Greet / Tony Evans	Work on this action has been delayed due to impacts of Covid-19 on our customer services, transformation and digital resources. These resources have been diverted to create a digital hub to support residents finding information about Covid-19 as well as creating digital services for Covid-related schemes such as business grants and self isolation support payments. The digital solution continues to be developed, with integrated maps that show real time content. All forms can now be tracked after submission by residents. Waste forms are being integrated with the back office system to provide real time updates. The Local Government Association-funded voice bots are being tested with target user groups to provide 24/7 information over the phone.
G	KA 39. Introduce a new electronic pre-application planning advice service	2021/22	Cllr Neish	Jacob Jaarsma	Agreed with Chief Operating Officer and Portfolio Holder to put rolling out new electronic pre-app service on hold until next financial year due to struggles with recruitment and to allow service to reduce the backlog of planning applications.

Corporate Performance and Contextual Indicators

Key to status

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
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Performance Indicator	Full Year 2019/20 Performance	Q1 2019/20 Performance	Q1 2020/21 Target	Q1 2020/21 Performance	Q1 2020/21 Status	Annual 2020/21 Target	Forecast Outturn 2020/21 Performance	Predicted Outturn 2020/21 Status
PI 22. Total amount of energy used in Council buildings (cumulative year to date) Aim to minimise	11,265,569 kWh (10% increase on 2018/19) *As at Q3 and compared with Q3 2018/19	4,428,617 kWh	3,917,203 kWh (5% down on 2018/19)	?	N/a	9,710,467 kWh (5% down on 2018/19)	?	N/a

Comments: (Corporate Resources) Energy Management System not currently operational to provide data. Permanent Energy & Sustainability Officer not in position.

PI 23. Percentage of Business Rates collected in year (cumulative year to date) Aim to maximise	99%	59%	61%	57%	R	99%	?	R
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Comments: (Revenues & Benefits) Target is based on last year's performance, however a direct comparison cannot be made as this year's payment profile has changed as individual payment arrangements have been made, e.g. more instalments. All appropriate grants and discounts have been applied.

Recovery action has started on businesses in arrears but the collection rate won't recover by the end of the year.

PI 24. Percentage of Council Tax collected in year (cumulative year to date)	98%	58%	58%	56%	R	98%	?	R
Aim to maximise								

Comments: (Revenues & Benefits) Target is based on last year's performance, however a direct comparison cannot be made as this year's payment profile has changed as individual payment arrangements have been made, e.g. more instalments. Customers are being encouraged to claim Council Tax Support to help reduce their liability. Hardship payments of over £500k have been awarded. Recovery action has now started on accounts in arrears but the collection rate won't recover by the end of the year.

PI 25. Number of magistrates court appeals against licensing decisions which have been upheld against the Council (cumulative year to date)	N/a	N/a	10	0	G	10	<10	G
Aim to minimise								

Comments: (Community) New indicator so no past performance data available. Low number is good. Appeals are currently behind schedule with courts due to Covid-19. Four heard so far, all successful. Six are awaiting rescheduled dates.

PI 26. Percentage satisfaction with ICT support services from feedback received (cumulative year to date)	N/a	N/a	95%	94%	A	95%	95%	G
Aim to maximise								

Comments: (3C ICT) Note: this is a new indicator so no past performance data available. Future reports will include cumulative results as expected rather than results for a single quarter. Performance during Q2 was averaged at 93.94%, slightly below the 95% target for the year, but we still have time to recover. This quarter we've had a number of positive responses / returns from a wide range of users reflecting this performance, but one of the main drivers behind a number of positive comments and emails we received was related to the roll out/migration of mobile phones over to Intune. The ability to access MS Teams and emails seems to have resonated with a number of people who have said it's changing the way they work. Also, the transition process where staff were guided through the resetting of their devices elicited lots of praise and positive comments for the two technicians who were involved in the bulk of this work.

PI 27. Percentage of invoices from suppliers paid within 30 days (cumulative year to date)	92%	89%	98%	80%	R	98%	88%	A
Aim to maximise								

Comments: (Corporate Resources) The indicator has been moderately impacted by the absence of people from the office due to working from home arrangements. However improvements have been implemented to mitigate this and the performance has continued to improve (from 78%) through the last quarter. The Accounts Payable team is continuing to work with other teams to improve the identification of disputed invoices.

PI 28. Staff sickness days lost per full time employee (FTE) (cumulative year to date)	6.5 days/FTE	2.3 days/FTE	4.0 days/FTE	2.6 days/FTE	G	9.0 days/FTE	<9.0 days/FTE	G
Aim to minimise								

Comments: (Corporate Resources) Recent sickness absence figures remain low. However, this excludes non-sickness absences related to Covid-19 (such as those required to shield or isolate who were unable to work from home). While absences for those reasons fell by over 80% in Q2 compared to Q1, if these absences were included the absence rate would increase to 6.6 days/FTE. The annual sickness target remains at 9 days/FTE due to uncertainty about further impacts of Covid-19 on health over the winter

Further details will be included in the Workforce Report going to Employment Committee in November.

PI 29. Income generated from Commercial and Operational Estate Rental Income (cumulative year to date)	£4.9m	£1.4m	£1.95m	£3.2m	G	£3.9m	£4.7m	G
Aim to maximise								

Comments: (Corporate Resources) Target is low as new income secured in 2019/20 was not accounted for, but forecast outturn is based on current likely loss of income/write off due to Covid-19, particularly in the retail/leisure sector. This is a moving picture, however, and expectation is that this could worsen. Borrowing from Public Works Loan Board for Commercial Investment Strategy (CIS) acquisitions is on hold meaning no new CIS income expected this year.

PI 30. Percentage of calls to Call Centre answered (cumulative year to date)	83%	85%	80%	?	N/a	80%	85%	G
Aim to maximise								

Comments: (Customer Services) We are not currently able to obtain the percentage answered figure for this quarter as the Microsoft Teams reporting tools do not provide this information. We have to use Teams to enable home working, and we are securing financing to purchase a more advanced Teams-based reporting solution that provides answered call rates as well as many other data points. We may be able to retrieve this quarter's information if the solution is installed later this year.

PI 31. Call Centre telephone satisfaction rate (cumulative year to date)	89%	93%	80%	N/a	N/a	80%	N/a	N/a
Aim to maximise								

Comments: (Customer Services) We have paused the sending out of paper surveys this quarter, but we will review in Q3.

PI 32. Customer Service Centre satisfaction rate (cumulative year to date)	95%	94%	80%	N/a	N/a	80%	N/a	N/a
Aim to maximise								

Comments: (Customer Services) We have paused the sending out of paper surveys this quarter, but we will review in Q3.

PI 33. Percentage of Stage 1 complaints resolved within time (cumulative year to date)	87%	90%	90%	96%	G	90%	95%	G
Aim to maximise								

Comments: (Customer Services) Of 69 Stage One Complaints received so far, only 3 this year have been responded to late, all of which are in Operations. Operations have received the most complaints with 18. Development then follow with 14. There have been 12 complaints related to Covid/Discretionary Business Grants, though the majority of these are related to non-eligibility for discretionary grant schemes.

PI 34. Percentage of Stage 2 complaints resolved within time (cumulative year to date)	76%	89%	90%	95%	G	90%	95%	G
Aim to maximise								

Comments: (Customer Services) 19 Stage Two Complaints have been received, of which one relating to Development was responded to late. 9 were related to Covid/Discretionary Business Grants and, as with Stage One complaints, the majority related to non-eligibility for discretionary grant schemes.

PI 35. Percentage reduction in avoidable contacts (cumulative year to date)	2%	-1%	-15%	-9%	A	-15%	-20%	G
Aim to maximise								

Comments: (Customer Services) The introduction of the integrated Operations forms took place in May 2020 and the online customer portal continues to progress.

PI 36. Percentage of households with customer accounts generated (latest result)	15%	6%	N/a	23%	G	8%	25%	G
Aim to maximise								

Comments: (Customer Services) We now have 17.6K accounts on the OneVu platform. A small proportion of these are registered to addresses outside the district. Multiple residents of a property may also have their own accounts.

PI 37. Percentage of all council services that have an end to end digital process (latest position at end of each quarter)	N/a	N/a	5%	N/a	A	20%	N/a	N/a
Aim to maximise								

Comments: (Transformation) New indicator so no past performance data available. Data exists on the number of partially and fully digitised services currently still working to compile a full list of services offered by the council, the work to digitise obvious and high volume services continued through Covid-19, the work to list all services was put on hold during this period.

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Project Name	Project Description	Original Approved End Date	Expected Delivery Date	RAG Status	Performance Summary	Last updated	Service Area	Project Sponsors	Project Managers
Customer Portal	Development of a customer portal and the processes that support the portal that allow for the creation of end to end digital services that integrate with back office system. This also includes the replacement of Dynamics as a tool in the contact centre. This includes the deliver of forms for Operations, Taxi Licensing and eBilling.	31-Oct-19	30-Dec-21	R	Programme has been split into four projects below: each will be led and updated seperately going forward.	Sep-20	Transformation	John Taylor	Tony Evans
CPP - Core Portal Project	Part of the Customer Portal Project - Delivers the ability to create integrated dynamic eForms to the council with supporting people, process and technology. Additionally delivered forms for Operations Streets, Waste, Grounds.	31-Mar-21	31-Mar-21	R	Job descriptions were put out for digital designer position and interviews are being conducted. Final requirements were passed to 3C Digital Team for built of Waste forms. Progress remains slow on digital team delivery.	Sep-20	Transformation	John Taylor	Tony Evans
CPP - Dynamics Replacement	Replaces Dynamics with IEG4 CsVu.	31-Mar-21	31-Mar-21	R	Awaiting date for the waste forms to go into User Acceptance Testing before further work is undertaken to finish business processes and handover. Some form design work for simple forms remains outstanding. Not clear who will build complex forms going forward as 3C Content Team not currently skilled up to do this.	Sep-20	Customer Services	John Taylor	Michelle Greet
CPP - eBilling	Delivers an eBilling capability that will allow residents to request online council tax bills, letters and benefits statements and letters.	30-Sep-22	30-Sep-22	A	No progress made waiting for the award of the hybrid print and mail contract.	Sep-20	Revenues & Benefits	John Taylor	Amanda Burns
CPP - Data & Analytics	Creates a unified view of demand across digital and phone channels that will provide the basis for understanding demand for services and unit cost of interaction.	30-Sep-22	30-Sep-22	A	3C ICT confirmed that this could not be progressed as a Single Work Package and would need to be convert to a full project and prioritised. 3C ICT confirmed that they did not have in house resource to create a secure design and sign off on how to secure a data store.	Sep-20	Transformation	John Taylor	Tony Evans
Retail in our Town Centres - St Benedicts Court regeneration	Investigate opportunities for working with the owners of St Benedicts Court in Huntingdon as part of a wider redevelopment 'quarter' approach to regenerate that part of the town centre (M25)		TBC	R	Conversations afoot with Montagu Evans (Threadneedle). They confirm that Threadneedle are looking at options for the site, including longer term thinking about potential redevelopment. Next step is further discussion in Mid-October.	Sep-20	Development	David Edwards	TBD
One Leisure Ramsey - 3G Artificial Pitch	3G Artificial Pitch (2018/19 Capital programme) (M10)	31-Dec-18	31-Mar-21	R	Agreement in place with contractors to delay start date until March 2021 to manage risks associated with archaeology works to be undertaken prior to build as part of planning conditions. Poor ground conditions in the winter period could result in additional works and additional spend. Agreement with main funder football foundation to delay and also fits in within the lease agreement with school to deliver project within 18 months of signing lease agreement.	Sep-20	Leisure & Health	Jayne Wisely	Martin Grey

Project Name	Project Description	Original Approved End Date	Expected Delivery Date	RAG Status	Performance Summary	Last updated	Service Area	Project Sponsors	Project Managers
New HR system	Full tender to replace the existing HR and Payroll system with a new, modern, cloud-based solution which better integrates with other systems (e.g. active directory, Tech1 etc.) Joint procurement with CCC and SCC, Procurement lead is CCC. Project Manager is external consultant.		31-Mar-21	A	System demonstrations and scoring of tenders are complete. The project board agreed that given the margin between the suppliers final scores award at stage 2 would be appropriate. Costing breakdown was completed using the costs submitted by preferred supplier including charges due to premium rapid implementation and reviewed by Project Lead, Sponsor and Chief Finance Officer. Additional costs will put pressure on 20/21 budget but will payback over 5 years. Announcement was made on 15/9/20 to both suppliers. Risk remains over implementation timescales, mitigations include the rapid implementation route adopted, dedicated project resource to see through the payroll go live extended by further month to allow for contingency; also HDC has a further month scope in current supplier contract. Further risks have been identified that will be assessed as part of conversations about exit with current supplier. The updated costs include assumed charge for exit. Next phase of work: External legal partners will prepare the contract incorporating the suppliers tender responses alongside both party T&C's. This contract type arrangement will allow for each council to request divergence to their respective contracts. The contract will be managed centrally by 3C ICT who will oversee any upgrades and patch testing. Work has commenced on cleansing our data in preparation, including aligning staff establishment to finance data, deleting old records, cleansing areas in line with data migration requirements.	Sep-20	Corporate Services	Justin Andrews Fiona Bryant	Aileen Whatmore Randeep Singh (PM)
Bridge Place car park reprovision	Completion of property sale, reprovion of parking at alternative site (long stay car park serving Huntingdon). This will also involve setting up of a park alongside the car park.		30-Jun-21	A	We are currently in consultation for a change request. We are in discussions with third party planning application to progress. Plans for alternative site (Riverside Huntingdon) underway with application to Fields in Trust for permission to allow planning design and consultation to be progressed.	Sep-20	Operations	Neil Sloper	Matt Chudley (site) George McDowell (Car Park works)
Environmental Health System Procurement / Implementation	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-Jan-21	G	Civica and Idox have been engaged to extract the data from Flare and Uniform respectively and have provided test extracts which are currently being imported into Tascomi. User Acceptance Testing will follow with final test extractions by 30/10/20. Super User training commenced 24/9/20 and continues until 15/10/20, preparing personnel to configure Tascomi. Train the Trainer training is being finalised and expected to take place in the first week of November, giving time to train all end users by the end of the year. Go Live of the Tascomi system as a back office system is scheduled for 29/1/21. Work will continue after this date to integrate Tascomi and develop online forms etc for the customer portal IEG4 with the integration scheduled for 10/5/21.	Sep-20	3C Shared Services	John Taylor	David Pope

Project Name	Project Description	Original Approved End Date	Expected Delivery Date	RAG Status	Performance Summary	Last updated	Service Area	Project Sponsors	Project Managers
Oak Tree Car Park Development Project and Affordable Housing Project Phase II	Phase II relates to the application of further funding from One Public Estate to develop the Master Planning Scheme into a viable Capital Project with less reliance on NHS occupation of new offices. New apartments will still follow the design principle of accommodation for "Key Workers". Awaiting further Central Government instructions re grant applications.		30-Sep-22	G	A paper prepared on 14/9/20 set out 6 options relating to the development of the site. Two options are being considered with a 3rd option being the sale of Oaktree Health Centre excluding the car park. In consideration of the 20th October meeting, and to ensure costs relating to potential future revenue and build cost are ascertained, LSi (Master Planning Architect) have been instructed to prepare sketch proposals that Savills can cost re revenue and Ridge can cost re build. Once compiled we can present actual forecasts with the Board then open to consider the options and potential revenue. Given any development would not commence until late 2021 or early 2022 this will likely mean a Post-Covid/Brexit regenerational development scheme for the Oxmoor area. In addition to the paper presented the Phase 8 funding options via the OPE streams of a Sustainable Grant and Land Release Funding were also forwarded. OPE have been allocated £10m and £20m for each stream. An application via the Sustainable Grant stream in the order of 350k is recommended, which is likely to be approved at less but is worthwhile considering. The caveat is any funding via this stream is repayable after 3 years so HDC must consider whether this is viable. Also it is recommended that Adrian Davey is consulted so as to make a separate application under the Land Release fund given the Land being considered for sale.	Sep-20	Corporate Services	Justin Andrews	Carl Egonu
Outsourced Hybrid Mail & Printing Project	Outsourced Hybrid Mail & Printing Project	-	31-Dec-20	G	Moderation is now complete and 11 potential suppliers will be issued Invitations To Tender. We are currently seeking guidance on whether it may be advantageous to remove the emergency supplier from the competition with a direct award awarded contract offered to a local supplier who submitted a completed Standard Selection Questionnaire and meets the criteria. We are still waiting for Cambridge City to confirm Huntingdonshire's contribution to legal costs for this project.	Sep-20	Customer Services	John Taylor	Andy Lusha
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.	07-May-19	31-Dec-20	G	Phase 2 - Streets Service re-launched 14/9/20. So far 12/17 operatives have been made live on the system. Phase 4 - Waste Testing and data preparations completing. Go-live reviews have been held. Target date now 7/10/20). Phase 3 - Grounds Soon to be scoped and go into initiation.	Sep-20	3C Shared Services	Joel Carre (CCC) Neil Sloper	Tony Allen
One Leisure Street Changing Rooms	Capital 2019/20	TBC	31-Mar-21	G	Design Team meeting 2/10/20 - tenders being prepared to go to Framework.	Sep-20	Leisure & Health	Paul France	Chris Keeble
Alms Close, Huntingdon - Land development	Development of Land at Alms Close, Huntingdon	31-Oct-19	18-Sep-20	G	Near completion, marketing now for five smaller units and one large unit. Due to achieve practical completion on 28/9/20. Planting will commence in November for soft landscaping works.	Sep-20	Corporate Services	Justin Andrews	Carl Egonu

Project Name	Project Description	Original Approved End Date	Expected Delivery Date	RAG Status	Performance Summary	Last updated	Service Area	Project Sponsors	Project Managers
Eastnet MLL Migration	Eastnet MLL Migration	-	31-Dec-20	G	The core decommission happened without issues. Closure report is in draft - lessons learnt workshops taking place. Eastnet service management board being adopted. Lessons learned work underway.	Sep-20	3C Shared Services	Oliver Morley	Peter Holmes
Data Centre Migration	Data Centre Migration from Shire Hall to Peterborough (interim hosting)		31-Mar-21	G	Generator installation and commissioning completed successfully at the end of August. Detailed planning on the equipment move from Cambridge to Peterborough has started (involving Dell, transport company and County programme management team). Infrastructure Disaster Recovery test running all services from Shire Hall completed successfully too. 3CSS are now going to be the first organisation to move from Shire Hall after Education IT move was delayed. The project is still on course for the November migration date.	Sep-20	3C Shared Services	Oliver Morley	Peter Holmes
Godmanchester Sluice	Funding of repair/renovation to sluice structures, Mill Steps site, and potential additional fish/eel passage. None of this is HDC money.		30-Nov-20	G	<p>Phase 1 - site survey, geophysics, water flow and silting evaluation. Survey produced positive results allowing us to move to the next phase.</p> <p>Phase 2 - Final design. This met all the requirements and progressed to next phase.</p> <p>Phase 3 - Cost of build feasibility.</p> <p>First two phases answered some fundamental questions: 1, what should the fish pass look like?, & 2, could we physically build it? The next and probably most important phase is how much will it cost? Using the Environment Agency framework, Breheney initially submitted a cost of £400k. This would exceed the budget of the group and would make the build financially unfeasible. They were asked to re-work their costings and they have resubmitted a cost of £334K. This would make the project feasible and we are now currently looking into the Construction (Design and Management) Regulations aspect of the build. Findings will go to the project board end of October to see if they wish to proceed with the fish pass or look at alternative options.</p>	Sep-20	Operations	Neil Sloper	Andrew Rogan

Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Financial Performance Report 2020/21, Quarter 2

Meeting/Date: Overview and Scrutiny Panel (Performance and Growth) – 4th November 2020

Executive Portfolio: Executive Councillor for Finance and Resources

Report by: Chief Finance Officer

Wards affected: All

Executive Summary

This report sets out the Council's forecast Financial Performance Report (Q2) for 2020/21.

RECOMMENDATION

The Overview and Scrutiny Panel is invited to comment on Finance Performance Report (Q2) from the Cabinet report attached at **Appendix A**.

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Financial Performance Report 2020/21, Quarter 2

Meeting/Date: Cabinet – 19th November 2020

Executive Portfolio: Executive Councillor for Finance and Resources

Report by: Chief Finance Officer

Wards affected: All

Executive Summary:

The Covid-19 pandemic has had a considerable impact on the Council. The Government's lockdown, announced on 20th March 2020, has meant that many of the businesses in Huntingdonshire have been forced to close – significantly impacting on the local economy, which in turn impacts on the Council's commercial income. Furthermore, the Council has had to put considerable resources into ensuring that rough sleepers are safe during this period and that the most vulnerable in our community are cared for. This comes with additional cost pressures.

Financial Impact

These additional costs have had a significant impact on the financial outturn for 2020/21 as the lockdown as continued into the first quarter of this financial year, with the economy and businesses just starting to re-open. However, the true scale of its impact on the Council's finances in 2020/21 will not be truly known until March 2021. The Council is showing substantial losses across many of its largest streams of commercial income. These include rental income, Leisure income, parking, commercial waste, licensing fees and planning fees. As with any recession, investment income is anticipated to reduce which will create further pressures on the Council's finances.

On the expenditure front some of the key areas of additional pressure will include accommodation and support for rough sleepers, additional costs in supporting our most vulnerable with food parcels and assistance in accessing medical provisions – some of whom may not have required our support previously.

It is difficult to quantify the impact of Covid-19 at this stage with any certainty, but the financial pressure on the Council will be substantial – even after the Government's emergency Covid-19 funding for local authorities is taken into account. Due to the Council's reliance on commercial income and fees and charges and consequently its exposure to the economic cycle, the Council has sought in recent years to build up the general fund balance to ensure the Council

is financially resilient in a recession. The Council is therefore able to draw upon its general fund reserve balances in 2020/21 to balance its budget.

Moving forward, the Council will reset its Medium-Term Financial Plan (MTFP) in recognition of the impact of the pandemic and the Council's strategic objectives. The Covid-19 crisis has meant that the Council has had to review what its most critical services areas and which are required to still be operational even during a global pandemic. The changing environment and "new normal" in which we are likely to find ourselves will require the Council to review the services it provides, its delivery models and the outcomes that are of the highest priority. This will also require the Council to review the structural position of its budget and how that needs to change going forward.

Recommendation(s):

It is recommended that:

- The Cabinet is invited to consider and comment on the financial performance at the end of September, as detailed in Appendix 1, and the register of reviews of Commercial Investment Strategy propositions at Appendix 2.

1. PURPOSE OF THE REPORT

- 1.1 To present details of the Council's projected financial performance for 2020/21.
- Revenue outturn estimated overspend of £2.403m.
 - Capital outturn estimated underspend of £10.802m
- 1.2 The impact of the Covid 19 pandemic, as far as possible, has been reflected within the Council's financial position. This now includes the first claim from the Governments Income Compensation Scheme of £1.568m, this will be claimed retrospectively and is subject to approval.

2. BACKGROUND

- 2.1 The budget and MTFS for 2020/21 approved in February 2020, assumed a net expenditure budget of £17.688m, together with an increase in Council Tax of 2.6%. At the time of setting this budget it was not foreseen that a global pandemic was imminent, causing unprecedented actions to be taken within the UK and the rest of the world, in trying to restrict the spread of this pandemic.

Impact assessments were initially undertaken to estimate the impact on the council's budget and due to government support via emergency funding and the anticipated income compensation scheme, together with the ability to support the anticipated deficit with reserves, a revised budget for 20/21 has not been produced. However, this is constantly under review and any significant changes will be reported to cabinet.

The MTFS is currently under review for 21/22 onwards within the current budget setting cycle.

- 2.2 The detailed analysis of the Q2 outturn as at 30th September is attached at **Appendix 1**.

3. FINANCIAL PERFORMANCE

3.1 Financial Performance Headlines

The forecast outturn position for the current financial year and the impact of variations will be incorporated within the MTFS.

Revenue The approved Budget is £17.688m with the forecast outturn being £20.091m which is an overspend of £2.403m, a decrease of £0.593m compared to Q1 forecast. The main reasons are shown on the next page.

MTFS The MTFS was updated as part of the 2020/21 Budget setting process and will again be updated as part of the 2021/22 Budget setting process which is now under way. The revision of the MTFS will include 2019/20 outturn variations and others occurring or foreseen in 2020/21 that have an impact on future years.

Capital The approved Budget is £16.611m plus the re-phasing of £3.909m giving a revised total Capital Programme of £20.520m. The forecast outturn is £9.717m giving an underspend of £10.802m.

3.2 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.

Head of Service	Budget £'000s	Revised Forecast £'000s	Variance £'000s	Comments
AD Corporate Resources	5,899	4,979	(920)	Emergency funding for Covid 19 -£2.295m; reduction in CIS rental income +£0.975m due to no CIS acquisitions as planned, increase voids and expected lower rental growth across the whole portfolio
AD Transformation	401	240	(161)	Combination of delays in projects and recruitment to vacant posts due to focusing and support the response to Covid 19
Chief Operating Officer	4,425	4,518	93	Increase agency costs for Development Management; Mid year adjustment on Housing Benefit, off set by various salary and efficiency across the whole service
Corporate Leadership	603	718	115	Increase costs due to supporting response to Covid 19
Head of ICT	2,139	2,131	(8)	
Head of Leisure & Health	(215)	2,065	2,280	Loss of income due to closure of Leisure Facilities
Head of Operations	3,347	4,553	1,206	Loss of income due to car park charges being suspended during lock down.
Housing Manager	177	172	(5)	
Growth Manager	842	679	(163)	Salary savings and reduced costs due to delay in projects due to Covid 19.

Programme Delivery Manager	70	36	(34)	
Total	17,688	20,091	2,403	

Further analysis of the revenue variance and service commentary are in **Appendix 1**. This provides the variances by service and where the variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Services. Where there are adverse variances the budget managers have provided details of the actions they are undertaking and where possible indicated if this will have an ongoing impact on the MTFs. This does not include the Income Compensation Scheme claim as this is still subject to approval.

3.3 Capital Programme

The approved gross capital programme for 2020/21 is £16.11m plus the re-phasing of the £3.909m giving a revised total Capital Programme for 2020/21 of £20.520m.

The forecast net expenditure outturn is £9.717m, an underspend of £10.802m.

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

	Budget £000	Forecast outturn £000	Forecast (underspend) / overspend £000	Main reasons for variance
AD Resources	12,371	2,351	-10,020	Delay's in projects in relation to Bridge Place Car Park; Oak Tree Remedial work Projects impacted by Covid 19 are Alms Close and Huntingdon Redevelopment which is being rephased within the current budget cycle for 21/22
AD Transformation	207	161	-46	Impacted by resources being redeployed elsewhere within the business to support the response to Covid 19
Chief Operating Officer	2,306	1,886	-420	Reduction in disabled adaptations
Head of ICT	62	62	0	

	Budget £000	Forecast outturn £000	Forecast (underspend) / overspend £000	Main reasons for variance
Head of Leisure & Health	1,149	1,456	307	Additional spend to be funded from CIL and grant income
Head of Operations	3,819	2,427	-1,392	Impacted by resources being redeployed elsewhere within the business to support the response to Covid 19
Housing Manager	0	0	0	Impacted by resources being redeployed elsewhere within the business to support the response to Covid 19
Planning Policy Manager	606	1,374	768	Additional spend is CIL funded projects not shown within the budget.
Total	20,520	9,717	-10,803	

3.4 Finance Dashboard

The Outturn for Q2 also looks at the collection rates for Council Tax and NDR, together with the working ages caseload for Council Tax Support Scheme. The details are shown in Appendix 1.

In summary, Council Tax collection rates are holding in line with 19/20 rates, however NDR is showing a decline compared to 19/20. This is mainly due to the impact of Covid 19 pandemic and the lock down of the economy, together with Government initiatives to support the hospitality sector with additional reliefs of £20.8m compared to 19/20. The Council will be compensated for these reliefs via the normal grant income received via the business rates retention scheme.

Council Tax Support Scheme has seen a significant increase in caseload within the working age group of 11% compared to 19/20.

4. UPDATE ON THE COMMERCIAL INVESTMENT STRATEGY

4.1 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.

4.2 At the end of Quarter 2, the financial projections for the CIS are:

CIS Investments	Budget (£'000)	Outturn (£'000)	Variance (£'000)
Cash Investments			
CCLA Property Fund	(162)	(160)	2
Total Cash Investments	(162)	(160)	2
Property Rental Income	(5,880)	(4,660)	1,220
MRP	879	697	(182)
Net Direct Property Income	(5,001)	(3,963)	1038
Management Charge	144	144	0
Total Property Investments	(4,857)	(3,819)	1038
TOTAL	(5,019)	(3,979)	1040

4.3 Investments

- 4.3.1 Due to Covid 19 the investment market virtually closed for business. In Q2 there has been some return in activity, but a significant number of funds remain gated to buying or selling assets and accordingly very few quality investment assets have come to the market, the majority being development sites or retail. Resources have been concentrating on managing income from existing tenants during the pandemic whilst awaiting more clarity on the current and future financial position and the demands from the income stream. We continue to monitor the market and flag up any exceptional opportunities, There has been only one opportunity within District, an industrial site off Cromwell Road, St Neots but at only 20% let was not attractive. The Government continued consultation in this period on use of PWLB funds for investing for yield, the indicators are that this source of funding will be switched off for commercial property investment and may extend to prevent any PWLB borrowing if Local Authorities undertake any borrowing elsewhere for property investment. A summary of opportunities is included in **Appendix 2**.
- 4.3.2 Returns from the CCLA property fund have decreased in 2020/21. Other investment vehicles such as bank deposits and money market funds interest rates have also decreased significantly since the Covid-19 pandemic.
- 4.3.3 To date the majority of the Council's investments have been funded from earmarked reserves or cash balances. Recent acquisition such as Fareham, Rowley Centre and Tri-Link have required loans from PWLB to fund their purchases; part of the purchase price and acquisition costs were met from earmarked reserves.

5 COMMENTS OF OVERVIEW & SCRUTINY

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

6. RECOMMENDATIONS

- 6.1 The Cabinet are invited to consider and comment on financial performance at the end of September, as detailed in section 3 and in **Appendix 1**, and the register of reviews of Commercial Investment Strategy propositions at **Appendix 2**.

7. LIST OF APPENDICES INCLUDED

Appendix 1 – Financial Performance Monitoring Suite 2020/21, Quarter 2

Appendix 2 – Register of reviews of CIS investment propositions, Quarter 2

CONTACT OFFICER

Claire Edwards, Chief Finance Officer

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Financial Performance Monitoring Suite September 2020 – Quarter 2

Executive summary

This report sets out the financial forecast for September, for revenue and capital. The headlines are:

Revenue - the forecast outturn is an estimated overspend of £3.971m when compared to the approved budget. The significant overspend is due to the Covid 19 pandemic and the effect of the national lock down affecting income streams within our Leisure, Car Parking Facilities and Commercial Properties. This includes initial emergency Covid 19 funding from central government of £2.295m and £0.454m of reduce costs from furloughing staff from the Leisure Facilities.

Central Government announced further support for Local Authorities in relation to Leisure Facilities and Car Park, Income Compensation Scheme. Commercial Property income is excluded from this scheme. This will allow the authority to claim back 75p for every £1 of net losses and after deduction of 5% of budgeted fees and charges for those services. The first claim covers April to July, which the council has claimed to £1.568m (subject to approval) and will be on a retrospective basis. This will reduce the deficit from £3.971 to £2.403m, a decrease of £0.593m from Q1.

The council will continue to claim against on going losses within the Leisure Facilities and Car Parks, although they are open, they are not operating at full capacity due to the restrictions and impact on the high streets.

Capital Programme – the forecast outturn is an estimated underspend of £10.802m.

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Service Commentary

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

Head of Service	Actuals to September 2020 £'000s	Budget £'000s	Forecast £'000s	Income Compensation Scheme £'000s	Revised Forecast £'000s	Variance £'000s	Variance %	Forecast Spend £'000s	Forecast Income £'000s
AD Corporate Resources	(2,147)	5,899	4,979	0	4,979	(920)	-15.6	12,828	(7,848)
AD Transformation	175	401	240	0	240	(161)	-40.1	303	(63)
Chief Operating Officer	4,731	4,425	4,518	0	4,518	93	+2.1	37,156	(32,638)
Corporate Leadership	414	603	718	0	718	115	+19.1	718	0
Head of ICT	2,973	2,139	2,131	0	2,131	(8)	-0.4	8,232	(6,102)
Head of Leisure & Health	1,849	(215)	3,031	(966)	2,065	2,280	+1,060.5	5,472	(3,407)
Head of Operations	2,764	3,347	5,155	(602)	4,553	1,206	+36.0	8,578	(4,025)
Housing Manager	86	177	172	0	172	(5)	-2.8	172	0
Growth Manager	(2,564)	842	679	0	679	(163)	-19.4	35,328	(34,649)
Programme Delivery Manager	1	70	36	0	36	(34)	-48.6	36	0
Total	8,282	17,688	21,659	(1,568)	20,091	2,403	+13.6	108,823	(88,732)

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
AD Corporate Resources	Head of Resources	(2,704,618)	106,242	(1,821,127)	(1,927,369)	-1,814.1	Within this are the Covid 19 additional costs +£371k and emergency funding (£2,295k)		
AD Corporate Resources	Corporate Finance	749,400	5,135,547	5,176,671	41,124	+0.8	Reduced income from surplus cash balance +£25k; increase apprentice levy +£17k.		
AD Corporate Resources	Finance	428,940	794,948	757,392	(37,556)	-4.7	Salary savings due to delay in recruiting, post now recruited to.		
AD Corporate Resources	Risk Management	831,013	652,742	674,657	21,915	+3.4	Additional cost due to increase in insurance premiums		
							£10k Loss of rent/income due to COVID-19 lockdown	Review budget to make savings elsewhere in the budget to compensate.	£1.5k to be removed from St Ives Bus Station income (Whippet no longer renting office), the rest should return post COVID-19
							£9.5k Cost of CCO's	Review budget to make savings elsewhere in the budget to compensate.	Cost reduced to £4.5k or 0k if DWP use their own contractor to provide CCO services
AD Corporate Resources	Facilities Management	627,632	865,276	894,386	29,110	+3.4	£28k Roof repairs to St Ives Bus Station	Works agreed by Cllr Jonathan Gray to go ahead, agreed overspend due to H&S compliance	One off repair not further funding required
							£13k Increased/additional staff costs, as a result of restructure	Transfer funds from restructure budget to cover costs	Adjustment of salary budgets after restructure will result in additional figures being covered

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
							(£30k) Budget savings identified		Savings identified have been removed from next years budget
AD Corporate Resources	Democratic & Elections	413,809	831,404	759,484	(71,920)	-8.7	<p>£2k budget removed for grants and contributions with no explanation that anyone can put forward. These are awards of money that the Chairman presents to three charities each year.</p> <p>The support of external entity is forecasted to be zero as no Chairman's events are taking place this year due to Covid.</p> <p>Electoral registration expected grant set in budget £17k but only £13k received. Printing external likely to be more as for some reason budget reduced by £23k despite the fact that the budget was all used last year and still required for this year.</p>	The additional expenditure can be offset against savings in my budget elsewhere.	
AD Corporate Resources	Human Resources	180,885	588,867	681,381	92,514	+15.7	<p>Forecast overspend on staffing is due to 2 maternities in team of 7, both backfilled, one by lower grade, less hours, the other by higher grade (same hours), but also additional Mat pay, as well as agency overspend, due to budget not accounting for on-costs and approval to get temp support in for team, due to workloads.</p> <p>Forecast overspend on services is some centralised recruitment spend, agreed as value for money this year to pilot a new way of supporting the business with recruitment. this May have future impact, but a budget bid is already submitted in MTFS to cover this.</p> <p>Also overspend due to increased year one costs on new HR and Payroll system, due to supplier costs to support a rapid implementation approach. This is to avoid costs on current supplier who would only roll over 3 year licence. The future costs are already in budget and will represent a saving year on based on new supplier fees.</p>		

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
AD Corporate Resources	Procurement	0	62,132	20,661	(41,471)	-66.7	Salary saving due to vacant post – now being recruited.		
AD Corporate Resources	Commercial Estates	(2,772,212)	(3,586,787)	(2,611,651)	975,136	+27.2	<p>Employees - interim staff spend but covered by management charge in CIS (5304)</p> <p>Income & fees: no CIS property acquisition undertaken to generate planned new income (loss of PWLB funding and not proceeding with Huntingdon acq'n), Void units increased due to Covid 19 and also assumed loss of income from leisure/retail tenants withholding rent. Lower rental growth prospects across portfolio.</p> <p>Supplies and services: Not paying consultancy and MRP costs on acquisitions balances some loss of income</p> <p>Buildings: increase empty rates costs due to void units</p>	<p>Actively marketing vacant units and targeting units with some rental growth prospects. Seek measures to retain tenants where financially better than an empty unit.</p> <p>Permanent staff being recruited to replace interims</p>	<p>Covid 19 impacts and review of budget assumptions built into MTFS proposals (Sept 2020) - ongoing impact of void units and increase liability for void property and re-letting costs and lower rental growth</p>
Chief Operating Officer	Building Control	2	152,540	91,526	(61,014)	-40.0			
Chief Operating Officer	Development Management	(338,960)	(425,985)	(343,089)	82,896	+19.5			

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
Chief Operating Officer	Environmental Protection Team	72,281	375,054	351,691	(23,363)	-6.2	Additional income and expenditure related to Government grants supporting Covid-19. Staffing underspend related to half post vacancy.		
Chief Operating Officer	Environmental Health Admin	60,041	143,794	126,163	(17,631)	-12.3	Positions have not been fully recruited following the departure of staff in the early part of this FY to provide an underspend that can assist with the increased costs of the Tascomi project.		
Chief Operating Officer	Closed Churchyards	0	(13,000)	700	13,700	+105.4	Income shortfall arising from previous savings item inserted with no clear delivery plan.	Assessment of deliverability to include liaison with Parish Councils with closed churchyards	
Chief Operating Officer	Licencing	(77,606)	(62,710)	(94,899)	(32,189)	-51.3	Income increased overall on Taxi & PH licencing income. Vehicle income dropped due to temporary 6mth licences instead of 12 mths issued pro rata due to covid. Driver income is increased due to finance balancing as part of move to 3yr licence. premise licence income up due to concerted effort to recover bad debts. salary savings due to vacant Operational Manager post partially offset by temp staff costs	No action required at present, decision by COO regarding recruitment to vacant Ops manager post	
Chief Operating Officer	Local Tax Collection	4,053	(227,770)	(217,690)	10,080	+4.4	This is a grant from CLG and the grant allocation is not know at budget setting.		

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
Chief Operating Officer	Housing Benefits	3,826,024	1,371,355	1,435,023	63,668	+4.6	<p>Employees: Salaries have been adjusted to absorb the salary costs from the Financial Investigator pilot.</p> <p>Income & Fees and Benefit & Transfer Payments: mid-year adjustments to spend and subsidy on Housing Benefit payments.</p> <p>Supplies & Services: Small adjustments to various elements of the budget, e.g legal fees due to reduced court work and pool car costs.</p>		
Chief Operating Officer	Housing Needs	435,598	1,145,981	1,074,635	(71,346)	-6.2	<p>£40k in-year saving declared as no joint commissioning of Housing Related Support Services (HRS) this financial year.</p> <p>Additional Government grants received totaling £166k to assist with homelessness reduction activities including the provision of a rough sleepers street outreach service until the end of 2020/21. A proportion of this grant is as yet uncommitted contributing to current underspend situation.</p>	No specific actions required at present.	£40k HRS in-year saving from above coming forward as MTFS declared saving for future years.
Chief Operating Officer	Document Centre	120,038	175,580	221,000	45,420	+25.9	<p>Staff vacancies not being filled has resulted in salaries underspend, however, there is increased forecast on spend for Agency staff whilst the Print and Hybrid mail outsourcing project continues, resulting in a (28k) underspend in salaries.</p>	This has been addressed in the 21/22 budget setting	
Chief Operating Officer	Housing Miscellaneous	29,266	25,735	91,340	65,605	+254.9	<p>Projected overspend due to historic water bill being finalised to replace previous estimates. Possible water leak being investigated as cause of unexpectedly high bill, there is also an additional estimated cost for the investigation of this leak. Electricity is climate dependent, most residents use electric fires to heat caravans.</p>		

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
Programme Delivery Manager	Programme Delivery	1,400	69,549	36,208	(33,341)	-47.9	The staff vacancy has resulted in an underspend. The forecast shows the new Programme Delivery Manager has started in August 2020.		
Planning Policy Manager	Economic Development	(2,882,760)	185,434	159,683	(25,751)	-13.9	Salary savings due to long term sickness		
Planning Policy Manager	Planning Policy	319,719	633,058	495,536	(137,522)	-21.7	Employees: Salary savings due to vacancies Income: Income for priority service for a strategic site not budgeted as not guaranteed income; agreed after budget setting completed. Supplies & Services: CV19 delay to Local Plan preparation.		Unspent monies for Local Plan prep should roll over 21/22. CIL/S106 Report paused due to CV19 - unspent money to be forecast for 21/22
Corporate Leadership	Directors	357,988	508,300	612,379	104,079	+20.5	Additional staff costs incurred because cover for sickness leave was required to maintain HDC response to the impact of Covid-19 on the District.	This is an unavoidable in year situation.	
Corporate Leadership	Executive Support & Business Planning	56,031	95,014	105,211	10,197	+10.7	Additional costs of +£16k from LGA 3C share service project, off set by savings of £5k on stationery.		
AD Transformation	Transformation	174,629	400,988	239,554	(161,434)	-40.3	Transformation has been impacted by COVID, as we have paused some of our planned work in order to deliver support to how the council responds to COVID. This has delayed our planned spend on services and our ability to hire into posts as our planned work was delayed and capacity diverted into other tasks. We have also received grant funding from MHCLG to support our approach to community and economic recovery, this was also unplanned so results in increased income. This results in an improved position for Transformation.	Re-planning our work and re-forecasting to take into account likely activity to support a second wave of COVID over the winter period and handling the ongoing economic effects.	Some planned projects may be delayed into future financial years due to continuing diversion of resources to deal with COVID related work.

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
Head of Operations	CCTV	22,553	(89,496)	(68,029)	21,467	+24.0	+£7.4k HDC share of the tech consultancy costs with City Critec, +£5k for Klaxon marketing company who will run an exercise relating to the trading company. +£4k proposal to recover additional income from town and parish councils offset by income budgeted for HDC ventures which will not start in 20/21.	The costs for the marketing company and the tech consultancy are one off costs.	A budget bid has been submitted to take out the income expected from the trading company. This will be put back once the results of the marketing exercise is known.
Head of Operations	CCTV Shared Service	311,234	233,251	296,981	63,730	+27.3	+£21k relates to trading company income which will not occur in 20/21. +£48k relates to a forecasted reduction in recharge from City due to spending less on City only maintenance/equipment in 20/21. (£22k) forecasted to spend on new BT fibre circuit to replace last MLL circuit and annual maintenance contract with QSG	The amount that HDC can claim from City directly relates to the costs that HDC incurs for the CCTV shared service	Budget bid has been submitted to take out income from the trading company until the marketing exercise is complete.
Head of Operations	Street Cleansing	410,117	804,390	786,369	(18,021)	-2.2	- Additional income from Chorus home contract due to increased charges - Diesel actual figures are not up to date, forecast reflects budget - Vehicle maintenance costs have increased, going forward this will reduce as sweeper usage is cut down.		
Head of Operations	Waste Management	1,018,699	2,518,306	2,537,702	19,396	+0.8	+£19k for trade waste market entry strategy consultancy costs, +£48k increase in waste disposal costs for trade waste. +£8k overspend across multiple budget lines. (£17k) forecasting to reduce expenditure on waste vehicle related costs. (£43k) reduced employee costs due to vacant posts and capitalisation of costs relating to bin deliveries.	The trade waste market entry strategy costs are one off.	Budget bid submitted to increase trade waste's waste disposal budget.
Head of Operations	Markets	64,479	(34,550)	124,204	158,754	+459.5	Market sites have suffered income loss due to Covid-19 closure.		
Head of Operations	Car Parks - Off Street	273,576	(1,445,010)	(72,132)	1,372,878	+95.0	Car parks is anticipated based on current usage to suffer income losses due to Covid-19 of £1,603m offset by savings on contributions linked income sharing arrangements.		
Head of Operations	Car Park - On Street	(92,909)	(131,724)	(7,343)	124,381	+94.4	Car parks have suffered income loss due to Covid-19.		

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
Head of Operations	Countryside	103,924	255,023	305,226	50,203	+19.7	<p>multiple sites with smaller contributory variances</p> <p>employees and Income & fees, due to COVID. less footfall, less income</p> <p>Paxton £59,000 grant carried over for bird hide construction but not yet completed</p> <p>Nursery £34,000 no longer managed by HDC</p> <p>Countryside services management £30,000 - only £10,000 one off grant bid for St Ives country park delayed by COVID(Helen Lack leading)</p>	<p>one off COVID issues,</p> <p>future budgets being amended to predict potential loss of footfall</p> <p>Bird hides to be constructed over coming months</p>	
Head of Leisure & Health	One Leisure Active Lifestyles	112,432	155,819	265,339	109,520	+70.3	<p>Income has been significantly affected by Covid and the re-establishment of the classes and activities in the community and One Leisure Facilities. The loss of income is forecast to be £139K on budget but due to mitigations put in place by the service e.g reduced staffing costs / rationalisation of classes and implementing class price increases the net effect of this is £67K .</p> <p>In addition there is unavoidable growth of the following items</p> <ul style="list-style-type: none"> • £35K bid for Playing pitch strategy - presumption that this would be CIL funded. Ongoing dialogue to seek to secure this funding £10K The Children and families project budget bid realignment not approved, leaving £10k additional income in these circumstances unlikely to be achieved or absorbed. 		
Head of Leisure & Health	St Ives Outdoor Centre	175,333	19,159	245,847	226,688	+1,183.2	<p>For Q2 reporting there is a Forecast £4.669M loss of Income due to 4 months of closure, restrictions and reduced capacity in place to remain Covid secure. For Impressions and Fitness classes the capacity has been reduced by 40/50% and Swimming by 50% of last year. Some of the activities remain closed such as</p>		<p>The recovery timeline of the facilities will have an impact upon the MTFS and future delivery models are currently being worked</p>

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to September 2020 £	Budget £	Forecast £	Variance £	Var %	Commentary on Result	Action Required	MTFS Impact
							<p>Creche and Pure, and we are working hard to ensure that most of the 'Club' bookings can return safely. The forecast net out-turn position across all of One Leisure Facilities is £2.68m deficit (excluding Govt Income compensation scheme monies). There are savings in expenditure through staff being furloughed (variable staff) as well as reductions in building costs and other supplies and services.</p> <p>Currently memberships levels have stabilised and are currently running at 71% of last year's membership levels. There has been a recent upturn in the number of new memberships being taken out, through promotion and a 3-month membership offer. Participation in activities grows on a week by week basis as more people are confident to return to One Leisure. This is being re-enforced by media messaging that we are Covid Safe and staff are ensuring that it is safe to return to the facilities.</p>		upon to provide a new MTFS position.
Head of Leisure & Health	Leisure Centres Corporate	145,642	379,380	305,694	(73,686)	-19.4	See commentary above		
Head of Leisure & Health	One Leisure Management Team inc Alconbury Weald	102,317	149,731	226,613	76,882	+51.3	See Commentary above		
Head of Leisure & Health	St Neots Leisure Centre	370,412	(330,590)	585,626	916,216	+277.1	See Commentary above		
Head of Leisure & Health	Huntingdon Leisure Centre	294,120	(124,849)	510,731	635,580	+509.1	See Commentary above		
Head of Leisure & Health	St Ives Leisure Centre	472,504	(544,878)	562,729	1,107,607	+203.3	See Commentary above		
Head of Leisure & Health	Ramsey Leisure Centre	135,309	(3,893)	245,575	249,468	+6,408.1	See Commentary above		

CAPITAL PROGRAMME

The approved gross Capital Programme 2020/21 is £16.611m. Schemes totalling £3.909m from 2019/20 have been rephased to 2020/21, to give the total gross capital programme for 2020/21 of £20.520m.

The Capital Programme is forecast to have an underspend of £10.802m, this includes underspends, overspends and growth.

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.

Due to the Covid 19 pandemic, this has and may continue to affect delivery of some projects in terms of capacity of internal resources and the uncertainty within economical landscape for investments into property.

Capital Project Expenditure Summary

CAPITAL PROGRAMME SUMMARY

Department	Description	Original Budget (£)	Current Budget* (£)	Spend This Year to Date (£)	Forecast Spend (£)	Year-end forecast Variance (£)	Comment
Corporate Resources	Bridge Place Car Park Const	0	377,642	654	654	(376,988)	Dependant on the sale of bridge court car park which has been delayed.
Corporate Resources	HTC Grant	0	0	(50)	(17)	(17)	
Corporate Resources	VAT Exempt Capital	59,000	59,000	0	35,400	(23,600)	Will be impacted by the reduction in expenditure on capital schemes
Corporate Resources	Company Share Investment	0	100,000	0	0	(100,000)	Assuming the company will remain dormant in 20/21
Corporate Resources	Huntingdon Redevelopment	8,500,000	8,500,000	0	0	(8,500,000)	Will be delayed due to the pandemic and refocusing on prospectus for growth agenda.
Transformation	Crm Replacement	0	63,396	0	91,000	27,604	Forecast is for software licenses (£86k) with are annual in July and then rebuild by 3C ICT and API costs (£5k).
Transformation	Robotics	0	50,000	0	0	(50,000)	This project has put on hold in FY 19/20 due to lacking foundational capability awaiting other projects delivering key pre-requisites before looking to deliver a SaaS based robotics platform. The project will progress in 2021/22.
Transformation	Audio Visual Equipment	30,000	30,000	0	30,000	0	
Transformation	Customer Portal and Call Centre Software	30,000	30,000	0	30,000	0	
Transformation	Voice Bots	34,000	34,000	0	10,000	(24,000)	Project delayed due to COVID, likely to carry into next year. Initial voice bots work well received during user testing.
Growth	A14 Upgrade	200,000	400,000	0	400,000	0	
Growth	Housing Company	0	206,000	0	206,000	0	
Chief Operating Officer	3CICT EFH Fire Insurance Settlement	0	0	3,435	0	0	
Chief Operating Officer	Traveller Security Improvements	0	0	0	20,333	20,333	Project originally expected to complete in 19-20. However, problems sourcing materials delayed completion until the current year
Chief Operating Officer	Environmental Health Software	0	40,000	0	40,000	0	
Corporate Resources	Bldg Efficiency - Salix Funding	0	0	4,149	52,529	52,529	This overspend is funded from revenue savings in current and future years energy costs.

Capital Project Expenditure Summary

Department	Description	Original Budget (£)	Current Budget* (£)	Spend This Year to Date (£)	Forecast Spend (£)	Year-end forecast Variance (£)	Comment
Corporate Resources	Retro-Fit Buildings	0	227,501	0	227,501	0	
Corporate Resources	Lighting - Loves Farm Footpath	16,000	16,000	0	16,000	0	
Operations	Wheeled Bins	238,000	238,000	76,257	262,898	24,898	This overspend relates to commercial bins. The forecast has been increased to cover the purchasing of more bins
Operations	Vehicles & Plant	1,199,000	1,254,746	797,313	1,273,230	18,484	Current fleet replacement is as planned
Operations	Godmanchester Mill Weir Improvements	0	0	12,802	12,802	12,802	Project is still in the feasibility phase and the final decision will be made by the end of October 2020 by the project board.
Corporate Resources	Oak Tree Remedial Work	1,000,000	1,911,811	11,100	777,000	(1,134,811)	Forecast reflects £300k costs to decant the premises to modular units and £450k costs for the start of the building works in March. The scheme is starting later than originally planned and will now run until July.
Corporate Resources	Alms Close	665,000	1,094,229	963,283	1,158,905	64,676	£135k overspend previously agreed with S151 Officer/PFH
Corporate Resources	Health and Safety Works on Commercial Properties	0	15,499	(918)	12,644	(2,855)	One remaining piece of work to undertake at Levellers Lane
Corporate Resources	Energy Efficiency Works at Commercial Properties	25,000	69,000	0	20,000	(49,000)	Forecast revised for this year to cover half a dozen failed units, next big tranche of certification is due for 21/22 which will require more works
Corporate Resources	Oak Tree Centre Car Park Redevelopment	0	0	0	50,000	50,000	Exploratory costs for Savills and Architects to look at other uses for the building
Chief Operating Officer	Disabled Facilities Grants	2,250,000	2,250,000	746,539	1,821,394	(428,606)	The budget spend is currently around 20% lower than 2019/20 at this point. Committed and Pipeline are down nearly 50% compared with last year. We may recover but this depends on referrals from OT's and contractors ability to carry out works.
Chief Operating Officer	Printing Equipment	0	16,000	0	4,000	(12,000)	This spend is dependant on the compatibility between Windows 10 and the existing scanners. 3 out of the 4 scanners are working with the new software in place and therefore do not currently require replacement for this reason. 1 scanner/PC is still waiting to be upgraded.

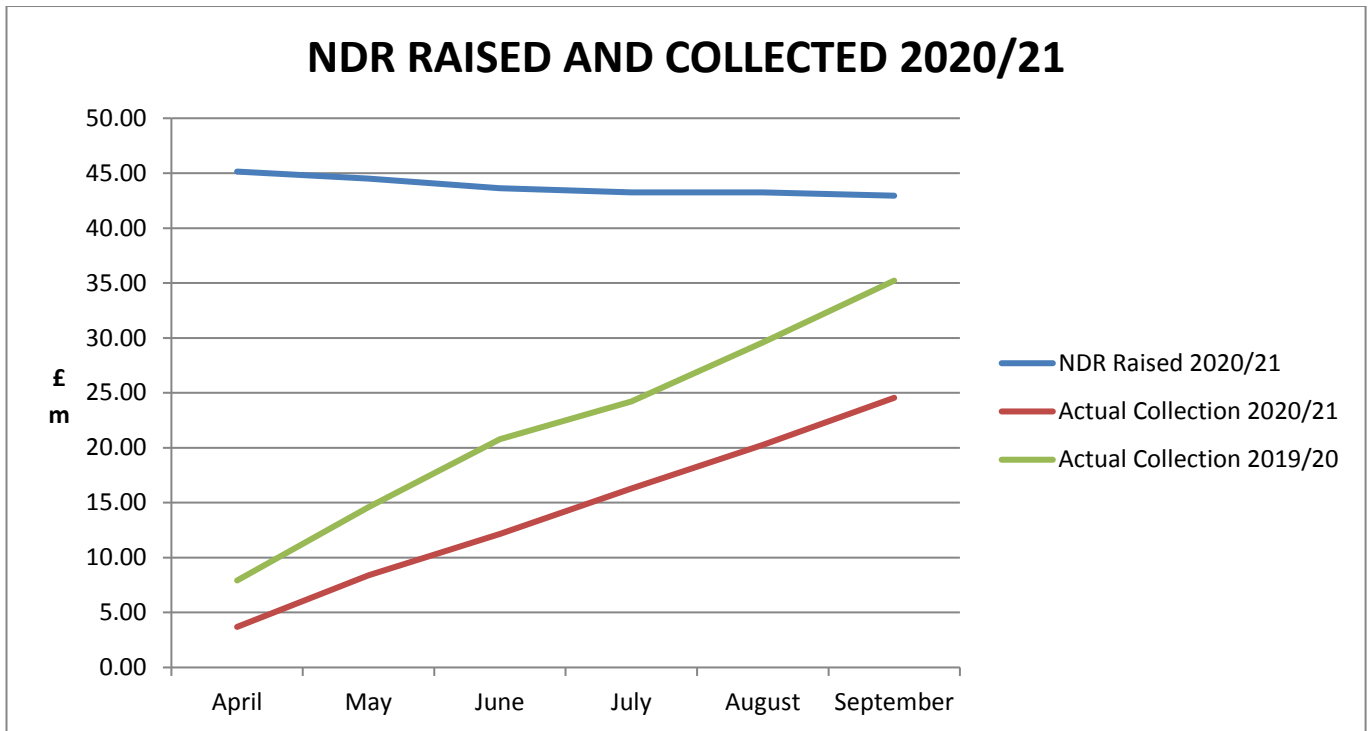
Capital Project Expenditure Summary

Department	Description	Original Budget (£)	Current Budget* (£)	Spend This Year to Date (£)	Forecast Spend (£)	Year-end forecast Variance (£)	Comment
Leisure & Health	Hunt Leis C - Gen Improve (Cs)	0	0	257	0	0	
Leisure & Health	Leisure Cents - Future Improve	306,000	306,000	0	306,000	0	
Leisure & Health	Ramsey L C - Gen Improve (Cs)	0	0	37	0	0	
Leisure & Health	Sn Leis C - Gen Improve (Cs)	0	0	12,563	0	0	
Leisure & Health	St Ivo - General Improve (Cs)	0	0	1,541	0	0	
Leisure & Health	St Ivo L C - Outdoor Gen Mtce (Cs)	0	0	13,055	0	0	
Leisure & Health	One Leisure St Ives New Fitness Offering	0	0	24,415	24,415	24,415	This is the final balance payment for the project following snagging and additional works on changing room and ventilation. It was anticipated that Conditions Survey would fund this work, however some of the unforeseen ventilation works required were relating to the Training Shed facility
Growth	Community Infrastructure	0	0	114,865	768,459	768,459	The expenditure forecast is financed from CIL receipts and so has no impact on the general funds MRP requirement.
Operations	Parking Strategy	37,000	127,094	4,680	127,094	0	Final pay and display machines are all installed and operational. Working on delivery of electric vehicle charging points
Operations	Civil Parking Enforcement	217,000	217,000	0	0	(217,000)	This project does not align with the Council's parking strategy, decision required before project begins
Operations	Secure Cycle Storage	58,000	58,400	0	58,400	0	
3CICT	Generator - 3CICT Backup	27,000	27,000	0	27,000	0	
3CICT	Data Centre Storage	23,000	23,000	0	23,000	0	
3CICT	Wi-Fi Access Points	12,000	12,000	0	12,000	0	
Leisure & Health	OL St Ives Changing Rooms	0	250,000	2,028	250,000	0	
Leisure & Health	One Leisure Ramsey 3G	0	593,512	23,173	875,991	282,479	120k of the additional cost is being funded from CIL and £138k of additional costs are being funded from external grants
Operations	Cctv PFH Resilience	0	20,000	10,195	16,370	(3,630)	
Operations	Cctv - Camera Replacements	0	0	1,215	85,664	85,664	Part of a 2 year project agreed to overspend but budget not increased to reflect this
Operations	Cctv - Wireless	0	0	0	7,409	7,409	
Operations	Lone Worker Software	0	20,000	0	20,000	0	

Capital Project Expenditure Summary

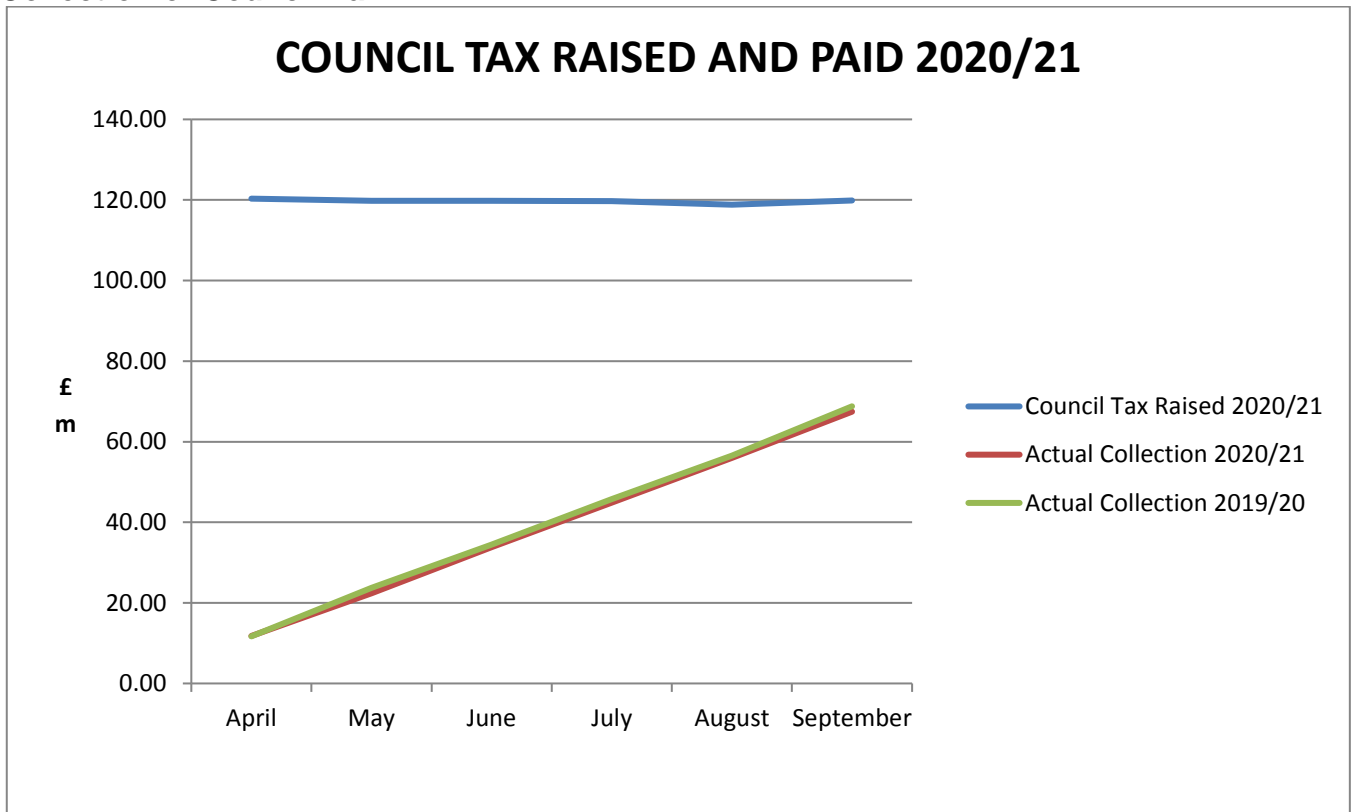
Department	Description	Original Budget (£)	Current Budget* (£)	Spend This Year to Date (£)	Forecast Spend (£)	Year-end forecast Variance (£)	Comment
Operations	Play Equipment	53,000	53,000	0	53,000	0	
Operations	Park Fencing	12,000	12,000	(3,396)	12,000	0	
Leisure & Health	OL St Neots Synthetic Pitch	0	0	(8,879)	0	0	
Leisure & Health	OL St Neots Pool Building	0	0	180	180	180	
Operations	Operations Back Office	0	198,392	637	198,392	0	
Operations	Districtwide Signage	70,000	70,000	0	0	(70,000)	Due to Covid this project has not been progressed at all
Operations	Hinchingbrooke Country Park	1,550,000	1,550,000	41	300,000	(1,250,000)	Delays in securing the lease extension has meant the this project has been delayed
		16,611,000	20,520,222	2,811,172	9,717,649	(10,802,573)	

Financial Dashboard



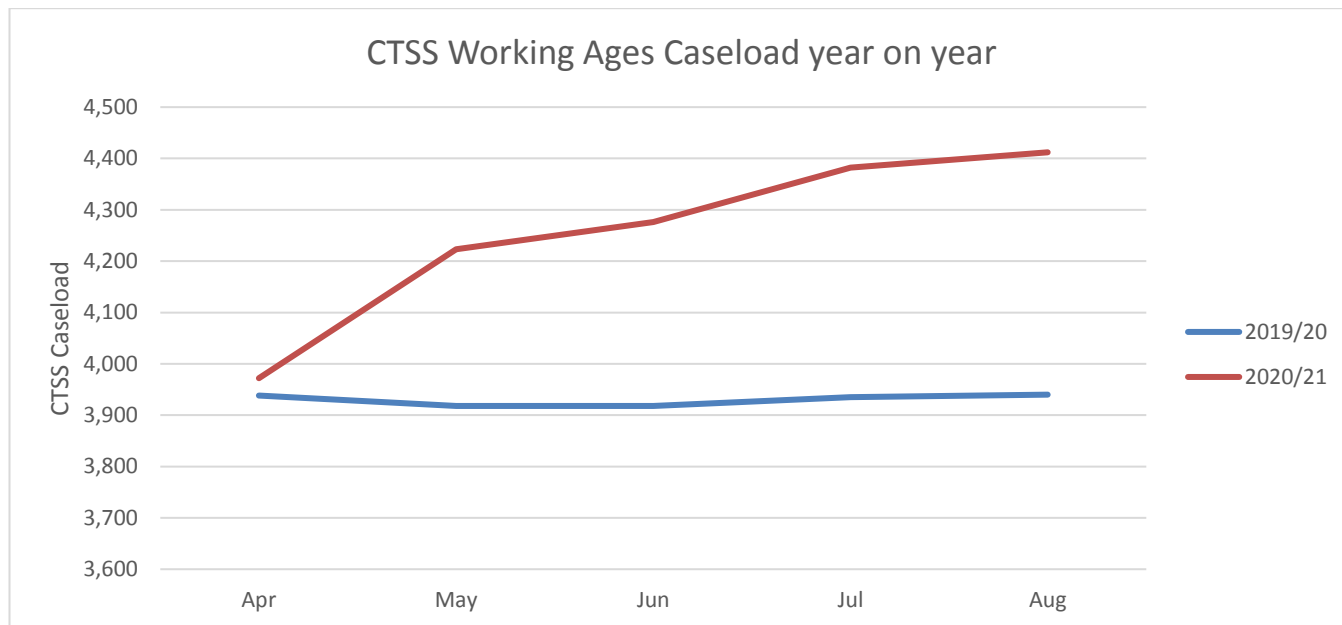
The NDR graph above shows the total amount of NDR bills raised in 2020/21 and the actual receipts received up to the end of June. For 2020/21 Central Government introduce significant reliefs for the retail and hospitality sector, which has reduced the annual billing by £20.851m. District Council's are being compensated for these relief's in line with the normal grant income received via the Business Rate Retention Scheme. The Council tax graph below provides the same analysis.

Collection of Council Tax



Council tax collection rates during the initial phases of lockdown have not reduced significantly compared to 2019/20. However, during Q2 and Q3 the potential impact of the furlough scheme ending in October may have a significant impact on residence's ability to pay, if as anticipated, businesses are not able to continue to employ people at the pre-covid 19 levels.

Council Tax Support Scheme



The graph above shows the increase in Council Tax Support Scheme caseload, this is an increase of 11%.

Outstanding Miscellaneous Debt Overdue for Payment

Due to the Covid 19 pandemic the decision was taken to suspend debt recovery in support of the unusual circumstances of the whole economy in lock down, this has had a significant impact on the level of miscellaneous debt outstanding as at 30th June. The total outstanding debt as at 30th September is £4.575m (June 2020, £5.682m), of which 80%, became due for payment since 1st April and 45% of the total arrears is owed by other public sector bodies.

Over 90% of the debt is made up as follows:

Department	Amount Owed £m
3ICT Share Service	2.076
CIL	0.503
Commercial Estates	0.810
Housing	0.392
Planning	0.152
Operations	0.134

Register of Reviews of CIS Propositions 2020/21 Q1

The process of considering CIS opportunities is as follows:

Step 1

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

Step 2

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

Step 3

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

Step 4

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

Step 5

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

Reviews Undertaken July – September 2020 (Q2)

Over the above period, 44 properties in total were considered, all to stage 1 only. By property type the investments considered in Q2 are as follows:

Offices	4	Distribution	2
Development sites	13	Retail	10
Other	8	Industrial/warehouse	3
Car parks	4		

Priority work is still targeted to manage existing tenants and sustain income as much as possible due to the impact on businesses due to Covid 19. Government consultation on use of PWLB funds for property investment continues.

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Treasury Management Six Month Performance Review

Meeting/Date: Overview and Scrutiny Panel (Performance and Growth) – 4th November 2020

Executive Portfolio: Executive Councillor for Finance and Resources

Report by: Chief Finance Officer

Wards affected: All Ward

RECOMMENDATION

The Overview and Scrutiny Panel is invited to comment on:

The Treasury Management Six Month Review report attached. The report sets out the treasury performance for period between 1st April 2020 and 30th September 2020.

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**Public
Key Decision - No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title: Treasury Management Six Month Performance Review

Meeting/Date: Cabinet – 19th November 2020

Executive Portfolio: Executive Councillor for Finance and Resources

Report by: Chief Finance Officer

Ward(s) affected: All Wards

Executive Summary:

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

The Council's 2020/21 Treasury Management Strategy was approved by the Council on the 26th February 2020 and this report sets out the Treasury Performance for period between 1st April 2020 and 30th September 2020.

The main purpose of Treasury Management is to.

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

The key market Treasury Management issues through the first half of 2020/21 influencing the Council's decision-making were.

- GDP has contracted by a massive 19.8% in Q2, inflation falling to 0.2% year on year in August, with unemployment rates increasing from 3.9% to 4.1% in Q2. It is forecast that unemployment could peak at around 8% to 9%, as furlough comes to an end in the coming months.
- The Bank of England Bank Rate at 0.01%.
- Market rates as a whole are very low, due to the Bank Rate remaining historically low, reducing the Council's ability to earn a return on

investments without increasing the risk of the investments. The Council's average investing rate was 0.25% (average interest rates obtained from Bank Deposits and Money Market Funds).

The Council's responses to the key issues were.

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

The Council's Commercial Investment Strategy (CIS)

The Commercial Investment Strategy commenced in 2015/16. Indicators relating to the investments are shown in **Appendix A section 3.4**.

These investments generated £1.3m of investment income for the Council in 2020/21 after taking account of direct costs. The breakdown of the property's portfolio is shown in **Table 6** and the proportion of the investment income in relation to gross service expenditure, in **Table 7 of Appendix A**.

Recommendation(s):

The Cabinet is recommended to

- Note the treasury management performance for the first six months of 2020/21 and to recommend the report to Council for consideration.

1. PURPOSE OF THE REPORT

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

2. BACKGROUND

- 2.1 It is regarded as best practice and prescribed treasury management practice, that Members are kept up to date with treasury management activity.
- 2.2 The Council approved the 2020/21 Treasury Management Strategy at its meeting on 26th February 2020.
- 2.3 All treasury management activity undertaken during the first half of 2020/21 complied with the CIPFA Code of Practice and relevant legislative provisions.
- 2.4 The investment strategy is to invest any surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest. The Council's borrowing strategy permits borrowing for cash flow purposes and funding current and future capital expenditure over whatever periods are in the Council's best interests.

3. ANALYSIS

Economic Review

- 3.1 An economic review of the year has been provided by our Treasury Management advisors, Arlingclose and is attached with an analysis of the local context implications in **Appendix A section 2.0**.

Performance Of Council Funds

- 3.2 The treasury management transactions undertaken during the first 6 months of 2020/21 financial year and the details of the investments and loans held as at 30th September 2020 are shown in detail in **Appendix A section 3.0 to 3.2**.

Risk Management

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

Non-Treasury Investments

- 3.5 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return.

The full details of these investments can be found on **Section 3.4 of Appendix A.**

Compliance

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

Treasury Management Indicators

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

4. COMMENTS OF OVERVIEW AND SCRUTINY

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

5. LIST OF APPENDICIES INCLUDED

Appendix A

- Economic review (source: Arlingclose)
- Borrowing and Investment as at 30th September 2020
- Risk Management
- Non-treasury Investments
- Treasury Management Indicators
- Outlook for the remainder of 2020/21

Appendix B


- Capital Prudential Indicators

Appendix C

- Glossary

CONTACT OFFICER

Claire Edwards, Chief Finance Officer

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Treasury Management Six Month Performance Review

1.0 Introduction

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

The Council's treasury management strategy for 2020/21 was approved at a meeting on 26th February 2020. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remain central to the Council's treasury management strategy.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 26th February 2020.

2.0 External Context

2.1 Economic background

The spread of the coronavirus pandemic dominated during the period as countries around the world tried to manage the delicate balancing act of containing transmission of the virus while easing lockdown measures and getting their populations and economies working again. After a relatively quiet few months of Brexit news it was back in the headlines towards the end of the period as agreement between the UK and EU on a trade deal was looking difficult and the government came under fire, both at home and abroad, as it tried to pass the Internal Market Bill which could override the agreed Brexit deal, potentially breaking international law.

Government initiatives continued to support the economy, with the furlough (Coronavirus Job Retention) scheme keeping almost 10 million workers in jobs, grants and loans to businesses and 100 million discounted meals being claimed during the 'Eat Out to Help Out' (EOHO) offer.

GDP growth contracted by a massive 19.8% (revised from first estimate -20.4%) in Q2 2020 (Apr-Jun) according to the Office for National Statistics, pushing the annual growth rate down to -21.5% (first estimate -21.7%). Construction output fell by 35% over the quarter, services output by almost 20% and production by 16%. Recent monthly estimates of GDP have shown growth recovering, with the latest rise of almost 7% in July, but even with the two previous monthly gains this still only makes up half of the lost output.

The headline rate of UK Consumer Price Inflation (CPI) fell to 0.2% year/year in August, further below the Bank of England's 2% target, with the largest downward contribution coming from restaurants and hotels influenced by the EOHO scheme. The Office for National Statistics' preferred measure of CPIH which includes owner-occupied housing was 0.5% y/y.

In the three months to July, labour market data showed the unemployment rate increased from 3.9% to 4.1% while wages fell 1% for total pay in nominal terms (0.2% regular pay) and was down 1.8% in real terms (-0.7% regular pay). Despite only a modest rise in unemployment over the period, the rate is expected to pick up sharply in the coming months as the furlough scheme ends in October. On the back of this, the BoE has forecast unemployment could hit a peak of between 8% and 9%.

The US economy contracted at an annualised rate of 31.7% in Q2 2020 (Apr-Jun). The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% but announced a change to its inflation targeting regime. The move is to a more flexible form of average targeting which will allow the central bank to maintain interest rates at low levels for an extended period to support the economy even when inflation is 'moderately' above the 2% average target, particularly given it has been below target for most of the last decade.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5%.

Credit review: Credit default swap spreads eased over most of the period but then started to tick up again through September. In the UK, the spreads between ringfenced and non-ringfenced entities remains, except for retail bank Santander UK whose CDS spread remained elevated and the highest of those we monitor at 85bps while Standard Chartered was the lowest at 41bps. The ringfenced banks are currently trading between 45 and 50bps.

After a busy second quarter of the calendar year, the subsequent period has been relatively quiet for credit changes for the names on our counterparty list. Fitch assigned a AA- deposit rating to Netherlands lender Rabobank with a negative outlook and prior to that, while not related to our counterparty list but quite significant, revised the outlook on the US economy to Negative from Stable while also affirming its AAA rating.

There continues to remain much uncertainty around the extent of the losses banks and building societies will suffer due to the impact from the coronavirus pandemic and for the UK institutions on our list there is the added complication of the end of the Brexit transition period on 31st December and what a trade deal may or may not look like. The institutions on Arlingclose's counterparty list and recommended duration remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

Interest Rates Forecast

The Bank of England (BoE) maintained Bank Rate at 0.1% and its Quantitative Easing programme at £745 billion. The potential use of negative interest rates was not ruled in or out by BoE policymakers, but then a comment in the September Monetary Policy Committee meeting minutes that the central bank was having a harder look at its potential impact than was previously suggested took financial markets by surprise.

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

2.2 Financial markets

Equity markets continued their recovery, with the Dow Jones climbing to not far off its pre-crisis peak, albeit that performance being driven by a handful of technology stocks including Apple and Microsoft, with the former up 75% in 2020. The FTSE 100 and 250 have made up around half of their losses at the height of the pandemic in March. Central bank and government stimulus packages continue to support asset prices, but volatility remains.

Ultra-low interest rates and the flight to quality continued, keeping gilts yields low but volatile over the period with the yield on some short-dated UK government bonds remaining negative. The 5-year UK benchmark gilt yield started and ended the June–September period at -0.06% (with much volatility in between). The 10-year gilt yield also bounced around, starting at 0.21% and ending at 0.23% over the same period, while the 20-year rose from 0.56% to 0.74%. 1-month, 3-month and 12-month bid rates averaged 0.02%, 0.06% and 0.23% respectively over the period.

At the end of September, the yield on 2-year US treasuries was around 0.13% while that on 10-year treasuries was 0.69%. German bund yields remain negative across most maturities.

3.0 Local Context

On 31st March 2020, the Council had net borrowing of £21.37m arising from its revenue income and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.20 Actual £m
General Fund CFR	71.3
Less: *Other debt liabilities	0.5
Total CFR	71.8
External borrowing	43.9
Internal borrowing	27.8
Less: Usable reserves	55.5
Less: Working capital	15.3
Net (Investing) or New Borrowing	(43.0)

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

The treasury management position as at 30th September 2020 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.20 Balance £m	Movement £m	30.9.20 Balance £m	30.9.20 Rate %
Long-term borrowing	39.96	-0.27	39.69	2.76
Short-term borrowing	4.00	(4.00)	0.00	0.00
Total borrowing	43.96		39.69	
Long-term investments	10.46	(0.83)	9.63	(0.08)
Short-term investments	0.00	4.00	4.00	
Cash and cash equivalents	12.13	6.43	18.56	53.0%
Total investments	22.59		32.18	
Net borrowing	21.37		7.51	

The movement in short-term borrowing was as a result of maintaining cash balances over £10m to comply with the Markets in Financial Instruments Directive (MiFID), that allows the council access to investment instruments as a professional client rather than a retail client, such Money Market Funds (MMF).

The movement in the cash and cash equivalent has been as result of council tax and NNDR receipts and Government cash funding for Covid 19 (reduction of payments to Central Government and increased S31 Grant income); these funds were invested in bank deposits and Money Market Funds for easy access and liquidity reasons.

3.1 Borrowing Strategy during the period

At 30th September 2020, the Council held £39.69m of loans, a decrease of £4.27m from 31st March 2020. Outstanding loans on 30th September are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.20 Balance £m	Net Movement £m	30.9.20 Balance £m	30.9.20 Weighted Average Rate %	30.9.20 Weighted Average Maturity (years)
Public Works Loan Board	39.96	-0.27	39.69	2.76%	22.9
Local authorities (short-term)	4.00	-4.00	0.00	0.73%	0.0
Total borrowing	43.96	-4.27	39.69		22.9

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

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

Although it was anticipated that the Council's CFR would increase due to the capital programme, delays in the capital programme due to the pandemic no new loans have been taken out.

Long-dated Loans borrowed	PWLB Reference	Amount £	Rate %	Period (Years)
PWLB 1	495152	5,000,000	3.91	38.0
PWLB 2	495153	5,000,000	3.90	37.0
PWLB 3	502463	485,575	2.24	2.5
PWLB 4	504487	682,106	3.28	26.0
PWLB 5	504598	906,922	3.10	26.0
PWLB 6	504810	458,870	2.91	26.0
PWLB 7	504922	367,164	3.10	26.5
PWLB 8	504993	297,665	2.92	26.5
PWLB 9	505255	589,748	2.31	26.5
PWLB 10	505372	452,086	2.18	26.5
PWLB 11	505649	808,570	2.67	27.0
PWLB 12	506436	5,000,000	2.78	17.0
PWLB 13	508696	7,285,550	2.49	18.0
PWLB 14	508931	400,000	1.48	1.0
PWLB 15	509389	11,963,000	2.18	18.5
Total borrowing		39,697,256	2.76	22.9

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

3.2 Treasury Investment Activity

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

The weighted average rate for the investment portfolio up to 30.09.2020 was 1.81%.

	31.3.20 Balance £	Net Movement £m	30.9.20 Balance £m	30.9.20 Income Return %	30.9.20 Weighted Average Maturity days
Banks & building societies (unsecured)	4,980,000	2,375,000	7,355,000	0.03%	1
Government (incl. local authorities)	0	4,000,000	4,000,000	0.04%	12.5
Money Market Funds	7,150,000	4,050,000	11,200,000	0.18%	1
Loans to other organisation	6,262,000	-456,004	5,805,996	3.23%	>365
Other Pooled Funds					
- <i>Property funds</i>	3,823,829	0	3,823,829	4.37%	>365
Total investments	22,215,829	9,968,996	32,184,825		

3.3 Risk Management

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

Given the increasing risk and low returns from short-term unsecured bank investments, the Council has maintained a diversified portfolio of asset classes as shown in table 4 above.

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

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return
			%		%
31.03.2020	4.49	AA-	100	1	1.35
30.09.2020	4.54	A+	82	3	0.63
Similar LAs	4.15	AA-	65	51	1.83
All LAs	4.16	AA-	64	18	0.9

*Weighted average maturity

£3.84m of the Council's investments are held in externally managed strategic pooled property funds – CCLA Property Fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. This fund generated an average total return of £76,422 (4.37%), for period of 1st April to 30th September 2020 which is used to support services in year.

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

3.4 Non-Treasury Investments

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

The Authority also held £55.04m of such investments in:

- directly owned property £54.9m
- shareholding in subsidiaries £0.1m

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

Property	Actual	31.3.2020	actual
	Purchase cost	Gains or (losses)	Value in accounts
Existing Portfolio	19,644	1,581	21,225
2 Stonehill	1,400	400	1,800
80 Wilbury Way	2,200	(330)	1,870
Shawlands Retail Park	6,500	(2,000)	4,500
1400 & 1500 Parkway	5,425	(1,025)	4,400
Units 21a, 21b,23a,b,c Little End Road, St Neots	3,200	(300)	2,900
Rowley Centre, St Neots	7,600	(1,850)	5,750
Tri-link, Wakefield	13,750	(1,250)	12,500
TOTAL	59,719	(4,774)	54,945

These investments generated £1.3m of investment income for the Authority from April to September 2020 after taking account of direct costs.

The Authority is dependent on profit generating investment activity to achieve a balanced revenue budget. The table below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Current forecast is showing a

shortfall of expected net investment income of £975k due to the impact of the Covid 19 pandemic. Therefore, the Authority's contingency plans for continuing to provide these services, are to use reserves where necessary to offset any negative variances in the final outturn. Unallocated general fund balances and budget surplus reserve can be used in case of a downturn in investment income to meet any detrimental effect.

Table 7: Proportionality of Investments in £'000

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget	2022/23 Budget
Gross service expenditure	75,729	77,760	72,303	69,710	58,836
Investment income	2,753	3,283	5,654	5,290	5,345
Proportion	3.6%	4.22%	7.82%	7.59%	9.1%

4.0 Compliance

The Chief Finance Officer (s151 officer) reports that all treasury management activities undertaken during the first half year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 9 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 8 below.

Table 8: Debt Limits

	30.9.30 Actual £m	2019/20 Operational Boundary £m	2019/20 Authorised Limit £m	Complied?
General	10.00	70.00	80.00	Yes
Loans	5.44	15.00	20.00	Yes
CIS	24.25	30.00	30.00	Yes
Total debt	39.69	115.00	130.00	

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

Table 9: Investment Limits

	30.9.20 Actual £m	2020/21 Limit £m	Complied?
Deposit Accounts			
NatWest	3.35	unlimited	Yes
Debt Management Office (DMO)	2.00	unlimited	Yes
Barclays	4.00	4.00	Yes
Thurrock Council	2.00		
Money Market Funds			
Aberdeen Liquidity Fund	4.00	5.00	Yes
BlackRock Institutional sterling liquidity Fund	0.00	5.00	Yes
CCLA Public Sector Deposit Fund	4.00	5.00	Yes
Federated Short Term Prime Fund	2.50	5.00	Yes
Insight Liquidity Funds	0.00	5.00	Yes
Invesco	0.00	5.00	Yes
Legal & General Sterling Liquidity Fund	0.70	5.00	Yes

5.0 Treasury Management Indicators

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

Security

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

	30.9.20 Actual	2020/21 Target	Complied?
Portfolio average credit rating	A+	A-	Yes

Liquidity

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

	30.9.20 Actual £m	2020/21 Target £m	Complied?
Total cash available within 3 months	22.56	2	Yes

Interest Rate Exposures

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

Interest rate risk indicator	30.9.20 Actual	2020/21 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	0*	£128,000	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	0*	£128,000	Yes

*no impact as borrowing is fixed rate

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

Maturity Structure of Borrowing

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

	30.9.20 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	0%	80%	0%	Yes
12 months and within 24 months	2.74%	80%	0%	Yes
24 months and within 5 years	0.00%	80%	0%	Yes
5 years and within 10 years	0%	100%	0%	Yes
10 years and above	97.26%	100%	0%	Yes

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

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	£7.79m	£7.08m	£6.80m
Limit on principal invested beyond year end	£10.00m	£10.00m	£10.00m
Complied?	Yes	Yes	Yes

6.0 Outlook for 2020/21

The medium-term global economic outlook is weak. While the strict initial lockdown restrictions have eased, coronavirus has not been suppressed and second waves have prompted more restrictive measures on a regional and national basis. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.

The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise. This has supported a sizeable economic recovery in Q3.

However, the scale of the economic shock to demand, on-going social distancing measures, regional lock downs and reduced fiscal support will mean that the subsequent pace of recovery is limited. Early signs of this are already evident in UK monthly GDP and PMI data, even before the latest restrictions.

This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets have priced in a chance of negative Bank Rate.

Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or if the UK leaves the EU without a deal.

Arlingclose expects Bank Rate to remain at the current 0.10% level and additional monetary loosening in the future most likely through further financial asset purchases (QE). While Arlingclose's central case for Bank Rate is no change from the current level of 0.1%, further cuts to Bank Rate to zero or even into negative territory cannot be completely ruled out.

Gilt yields are expected to remain very low in the medium term. Shorter-term gilt yields are currently negative and will remain around zero or below until either the Bank of England expressly rules out negative Bank Rate or growth/inflation prospects improve.

Downside risks remain in the near term, as the government dials down its fiscal support measures, reacts to the risk of a further escalation in infection rates and the Brexit transition period comes to an end.

Capital Prudential Indicators

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

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

Table 1: Summary of Capital Expenditure in £m

	2020/21 Budget	2020/21 Outturn
General Fund Services	11.92	9.70
Capital investments	8.60	0.00
Total	20.52	9.70

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

Table 2: The summary of Capital financing in £m

	2020/21 Budget	2020/21 Outturn
External sources	3.5	1.8
Own resources	1.0	0.3
Debt	16.02	7.6
Total	20.52	9.70

Debt is only 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).

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

	2020/21 Budget	2020/21 Outturn
General Fund Services	50.1	52.6
Capital investments	34.0	26.8
Total CFR	84.1	79.4

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 project until 2021/22. Repayments of capital grants, loan and investments also generate capital receipts.

The summary of the capital receipt is show in Table 4 below in £m.

Table 4

	2020/21 Budget	2020/21 Outturn
Asset sales	0.50	0.26
Loans repaid	0.32	0.31
Total	0.82	0.57

GLOSSARY

Bail in Risk

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

Bank Equity Buffer

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

Bank Stress Tests

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

Bonds

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

Call Account

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

Capital Financing Requirement (CFR)

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

Collar (Money Market Fund)

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

Counterparty

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

Credit Default Swaps (CDS)

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

Credit Ratings

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

Gilts

Bonds issued by the Government.

LIBOR

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

LIBID

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

Liquidity

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

LVNAV Money Market Fund

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

Minimum Revenue Provision (MRP)

An amount set aside to repay debt.

Money Market Funds

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

Public Works Loans Board (PWLB)

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

Transactional Banking

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

Overview and Scrutiny Work Programme 2020/21

Performance and Growth

In Progress

Topic	Membership & Scope	Lead Officer	Progress
Transport Strategy	Councillor S J Criswell Councillor I D Gardener Councillor P L R Gaskin Councillor M S Grice	Nigel McCurdy/David Edwards	Study has not commenced.
Asset Management Strategy	Councillor I D Gardener Councillor D A Giles	Jackie Goldby/Justin Andrews	Study has not commenced.

Completed

Topic	Membership & Scope	Lead Officer	Progress
Housing Strategy to 2025	Councillor A Roberts Councillor S Wakeford Councillor D Wells Councillor Mrs S R Wilson <ul style="list-style-type: none"> • Comment and make suggestions on the emerging Housing Strategy. 	David Edwards/Liz Bisset	<p>6th August 2020 – A meeting took place with Members; the Interim Corporate Director (Place), David Edwards and Liz Bisset. The vision for the strategy was outlined and Members had an opportunity to comment and make suggestions.</p> <p>7th October 2020 – The Housing Strategy was presented to Overview and Scrutiny.</p> <p>22nd October 2020 – The Cabinet approved the Housing Strategy and the accompanying one year action plan.</p>

Customers and Partnerships

In Progress

Topic	Membership & Scope	Lead Officer	Progress
Digital Strategy	Councillor D Tysoe	Tony Evans	Next Step The Digital Strategy won't be presented until the Core Service Strategy is produced.
Climate Change Strategy	Councillor T D Alban Councillor Mrs J Tavener Councillor Mrs S R Wilson	Neil Sloper	18th October 2020 – The Democratic Services Officer (Scrutiny) attended the Centre for Public Scrutiny and Local Government Association Scrutinising Climate Action Webinar on 18th September. Next Step The remit for strategy development has not been established. In absence of this it is recommended that Members review examples of climate change studies conducted at other local authorities.
Waste Strategy	Councillor Ms A Dickinson Councillor D A Giles Councillor Mrs S Smith Councillor Mrs S R Wilson	Neil Sloper	Study has not commenced.
Lifelong Health – Part Two	Councillor S J Criswell Councillor Mrs A Dickinson Councillor K P Gulson Councillor Mrs S Smith Councillor Mrs J Tavener Councillor Mrs S R Wilson	Oliver Morley	12th September 2019 – The Panel received the final report of Part One and agreed to continue the study under the guise of 'Part Two'.

	<ul style="list-style-type: none">• Identify ways of developing better health outcomes for residents.• Identify the benefits of a whole system approach for the Council.		<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 & 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 & Town Councils and community groups.</p> <p>28th January 2020 – Alyce Barber, Community Development Officer, attended and informed Members of 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>
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			<p>12th February 2020 – The Task and Finish Group received and discussed a number of case studies.</p> <p>Next Step – The Group will conduct an evidence review in November 2020.</p>
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Completed

Topic	Membership & Scope	Lead Officer	Progress
Healthy Open Spaces and Play Strategy	Councillor Mrs A Dickinson Councillor K P Gulson Councillor Mrs S Smith Councillor Mrs J Tavener Councillor Mrs S R Wilson	Helen Lack	<p>11th March 2020 – A meeting took place with Working Group Members, the relevant Executive Councillors, Helen Lack and Sarah Wheale-Smith of PleydellSmithyman so that Members could give their views on the draft Strategy.</p> <p>29th July 2020 – A second meeting took place with Working Group Members, Helen Lack and Sarah Wheale-Smith of PleydellSmithyman. Members were shown the executive summary and a full draft of the Strategy.</p> <p>8th October 2020 – The Healthy Open Spaces Strategy was presented to Overview and Scrutiny.</p> <p>22nd October 2020 – The Cabinet endorsed the Healthy Open Spaces Strategy and 10 year action plan.</p>