



FINAL
2019/20 Budget
&
Medium Term Financial
Strategy
2020/21
To
2023/24

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1.0 STRATEGIC BUDGET SUMMARY

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

- **Savings and Income**

1.1.1 Over the Autumn of 2018, Portfolio holders were challenged to review their budgets with respective senior officers and developed both savings proposals for the forthcoming financial year (2019/20) and the MTFS period (2020/21 to 2023/24). Details of the savings proposed were approved by Cabinet in January 2019 and are summarised in the service budget pages later in this report. Since the January Cabinet, there have been four adjustments to the budget giving a net decrease of £162k for 2019/20, and net decreases over the MTFS period of £223k, £119k, £146k and £148k for each of the four years.

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

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

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

1.1.4 The service savings and additional income proposals were approved by Cabinet in January 2019 and are summarised in the service budget pages later in this report. The only changes in the proposals are in Customer Services where grant income was boosted in respect of Housing Benefits administration grant and additional New Burdens grant, a reduction in initial income receivable from both One Leisure's St. Ives outdoor fitness training scheme and in relation to the 3G pitch at Ramsay due to delays in signing agreements with relevant partners and new income from recently purchased commercial property at Little End Road. The total Savings and Additional Income Proposals for 2019/20 are £1.9m and **Table 1** below shows how this is allocated by service.

Service	Service Savings and Additional Income Proposals			
	Draft Budget Savings *	Savings Adjustments Since Draft Budget		Final Savings and Additional Income
		Additional	Removed	
£000	£000	£000	£000	
Community	71			71
Customer Services	166	110		276
Development	153			153
Leisure & Health	179		(46)	133
Operations	562			562
Directors & Corporate Team	50			50
3C's ICT (HDC element)	20			20
Resources	339	101		440
Corporate Resources	236			236
Total	1,776	211	(46)	1,941

* Reported to Cabinet January 2019.

- **Growth**

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

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

1.1.6 The growth proposals were approved by Cabinet in January 2019 and are summarised in the service budget pages later in this report. The only changes in the proposals are in Customer Services, where there has been a reduction in a Government New Burdens grant allocation. The total Service Growth Proposals for 2019/20 are £1.7m and **Table 2** below shows how this is allocated by service.

Table 2 Service	Service Growth Proposals			
	Draft Budget Growth *	Growth Adjustments Since Draft Budget		Final Growth £000
		Additional £000	Removed £000	
	£000	£000	£000	£000
Community	69			69
Customer Services	345	3		348
Development	(7)			(7)
Leisure & Health	376			376
Operations	655			655
Directors & Corporate Team	12			12
3C's ICT (HDC element)	27			27
Resources	131			131
Corporate Resources	92			92
Total	1,700	3	0	1,703

* Reported to Cabinet January 2019.

- **Commercial Investment Strategy**

1.1.7 A key part of the Council's overall Budget strategy is the Commercial Investment Strategy (CIS), as approved by the Council in 2015. The income budgets for both Pre and New have changed by a total of £350k. Although the Commercial Investment market remains challenging, it is envisaged that the Council can still meet these income targets. However, it is expected that there will be a change in investment emphasis over the next year in that acquisitions are more likely to be within boundary along with the development of housing related propositions. The current profile of CIS related income is around the £5.5m and £6.0m per annum and is shown in **Table A** below.

Table A CIS Investment Type	Gross Income: Commercial Investment Strategy								
	2015/16	2016/17	2017/18	2018/19	Budget	Medium Term Financial Strategy			
	£'000	£'000	£'000	£'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Pre CIS Commercial Property Investments	(1,930)	(1,922)	(2,022)	(2,297)	(2,326)	(2,626)	(2,141)	(2,128)	(2,295)
New CIS Commercial Property Investments	(31)	(509)	(785)	(1,242)	(1,398)	(1,398)	(1,398)	(1,398)	(1,398)
"To be acquired" CIS Commercial Property Investments	0	10	(2,232)	(1,775)	(1,821)	(1,842)	(1,803)	(1,842)	(1,842)
Total Commercial Property Investments	(1,961)	(2,421)	(5,039)	(5,314)	(5,545)	(5,866)	(5,342)	(5,368)	(5,535)
Property Fund	(20)	(111)	(162)	(162)	(162)	(162)	(162)	(162)	(162)
Total CIS Income	(1,981)	(2,532)	(5,201)	(5,476)	(5,707)	(6,028)	(5,504)	(5,530)	(5,697)

- **Capital – Revenue Implications**

1.1.8 The revenue budget contains any implications from the proposed capital programme for 2019/20 and the MTFs, whether that will be savings as a result of investment, additional running costs or the cost of borrowing (Minimum Revenue Provision).

- **Summary Impact of all budget changes – comparing Final Budget 2018/19 to Final Budget 2019/20**

1.1.9 Overall, the revenue changes to the budget in respect of Savings & Additional Income, Service Growth and Capital have resulted in a net decrease in the Council's budget of £125k (<1%) when compared to the 2018/19 Original Budget and an reduction of £751k (4%) when compared to the September 2018/19 Forecast Outturn. A service by service summary is shown in **Table 3** below.

Service	2018/19		Previously Approved Adjustments	2019/20				Inflation	Other Operational Adjustments	Proposed Budget	Variance	
	Forecast Outturn	Original Budget		Growth	Savings	Increased Income	Linked to Capital				To 2018/19 Forecast	To 2018/19 Budget
	£000	£000										
Community	1,740	1,758	(35)	40	(35)	(10)	(26)	21	29	1,742	0%	(1%)
Customer Services	2,682	2,533	40	286	(243)	0	0	32	29	2,677	0%	6%
Development	700	1,071	76	0	(153)	0	0	23	(7)	1,010	44%	(6%)
Leisure & Health	226	(190)	(133)	327	(44)	(21)	(68)	60	48	(21)	(109%)	(89%)
Operations	4,580	3,911	(334)	596	(131)	(372)	0	72	0	3,742	(18%)	(4%)
Directors & Corporate Team	1,503	1,642	9	(12)	(33)	0	0	13	7	1,626	8%	(1%)
3C's ICT (HDC element)	2,154	2,128	(21)	57	9	0	0	31	(59)	2,145	0%	1%
Resources	(232)	(318)	(58)	119	(428)	0	0	16	1	(668)	188%	110%
Corporate Finance	4,555	4,747	285	49	(113)	(76)	(18)	16	14	4,904	8%	3%
Net Expenditure	17,908	17,282	(171)	1,462	(1,171)	(479)	(112)	284	62	17,157		
Forecast Outturn	17,908				(751)					17,157	(4%)	
Budget		17,282			(125)					17,157		(1%)

1.2 Corporate and Government Funding

- **Government Grant**

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

- New Homes Bonus (NHB), on the 13 December the Government made an announcement in respect of New Homes Bonus and that the 2019/20 settlement would be £2.0m (this is £680k less than last year). The Government's intention is to phase out the grant over a 4 year period with the grant being reduced to zero by 2023/24.
- On the 13 December the Government provisionally confirmed that the Revenue Support Grant (RSG) 2019/20 would be zero, this was in line with what was expected. In the 2018/19 MTFs it was expected that the council would be in a negative RSG position from 2020/21 onwards. However, it is now largely expected that the Government would not enforce this position but would consider grant to remain at zero. As the final decision is likely to be a part of the Fair Funding Review, the 2019/20 MTFs still provides for negative payments of RSG of £150k for each of the years 2020/21 to 2023/24 as a prudent measure.

Council Tax and Business Rates

- 1.2.2 There is an assumption within the 2019/20 Budget and over the term of the MTFS that the Council Tax will increase by 2.6% per annum. Therefore, the Council Tax for 2019/20 will be £142.16 per Band D equivalent property. Members should note that when the Local Government Financial Settlement was announced, this confirmed the Council Tax threshold (also known as the Referendum Limit) as “the higher of 3% or £5” for a Band D property.
- 1.2.3 A Council Tax increase of 2.6% is below what current local indicators show in respect of wage and pensions increases.
- 1.2.4 The Council receives 40% of the Business rates collected and, after allowing for the tariff payment, it estimates this to be £6.0m in 2019/20. An increase of 2% is allowed year on year over the MTFS period to reflect the annual inflation increases to the business rates multiplier.

Collection Fund Surplus/Deficit

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

Table 4	Collection Fund Estimated Surplus 2017/18	
	(Surplus)/Deficit £000	HDC Share £000
Council Tax	(4,225)	(635)
Business Rates	(1,588)	(354)
Total	(5,813)	(989)

1.3 Summary Budget

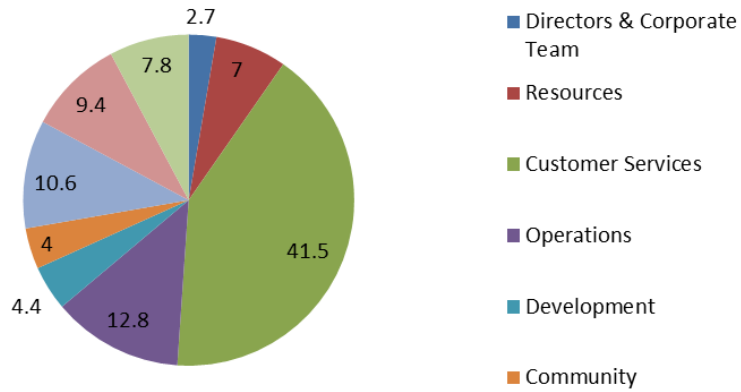
1.3.1 Considering the 2.6% increase in Council Tax for 2019/20 and over the MTFS period, this results in the funding statement shown in **Table 5** and **Table 6** below.

Table 5	Council Services Net Expenditure Budget (2019/20) and MTFS						
	2018/19		2019/20	Medium Term Financial Strategy			
	Budget	Forecast (November)	Budget	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000
Community Services	1,758	1,740	1,742	1,772	1,792	1,826	1,866
Customer Services	2,533	2,682	2,676	3,160	3,340	3,358	3,256
Development Services	1,071	700	1,010	920	960	1,000	1,042
Leisure and Health	(190)	226	(21)	(507)	(713)	(749)	(741)
Operational Services	3,911	4,580	3,742	3,532	4,087	4,059	4,161
Corporate Team and Directors	1,642	1,503	1,626	1,631	1,658	1,660	1,683
ICT	2,128	2,154	2,145	2,104	2,120	2,136	2,192
Resources	(318)	(232)	(668)	(819)	(341)	(322)	(464)
Corporate Finance	4,747	4,555	4,904	4,906	5,107	5,204	5,636
Net Expenditure	17,282	17,908	17,156	16,699	18,010	18,172	18,631

Table 6	Council Funding Statement Budget (2019/20) and MTFS						
	2018/19		2019/20	Funding Streams and a 2.6% Council Tax increase			
	Budget	Forecast (November)	Budget	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000
Net Expenditure	17,282	17,908	17,156	16,699	18,010	18,172	18,631
Contribution to/(from) Earmarked Reserves:	0						
- Commercial Investment Strategy	1,135	1,135	2,038	1,474	881	427	0
General Reserves	1,891	1,265	1,247	(724)	(1,559)	(1,229)	(1,180)
Budget Requirement	20,308	20,308	20,441	17,449	17,332	17,370	17,451
Non-Domestic Rates	(5,841)	(5,841)	(5,958)	(6,077)	(6,199)	(6,323)	(6,449)
Non-Domestic Rates (Growth Pilot)	0	0	(949)	0	0	0	0
S31 Grant	(1,729)	(1,729)	(1,729)	(1,579)	(1,579)	(1,579)	(1,579)
Revenue Support Grant (RSG)	(604)	(604)	0	150	150	150	150
Fair Funding Review Adjustment	0	0	0	650	650	650	650
New Homes Bonus	(2,718)	(2,718)	(2,038)	(1,474)	(881)	(427)	0
Collection Fund (Surplus) / Deficit	(966)	(966)	(989)	0	0	0	0
Council Tax Requirement	8,450	8,450	8,778	9,119	9,473	9,841	10,223
- Base (*)	60,984	60,984	61,749	62,521	63,302	64,094	64,895
- Per Band D	138.56	138.56	142.16	145.86	149.65	153.54	157.53
- Increase £			£ 3.60	£ 3.70	£ 3.79	£ 3.89	£ 3.99
- Increase %			2.60%	2.60%	2.60%	2.60%	2.60%

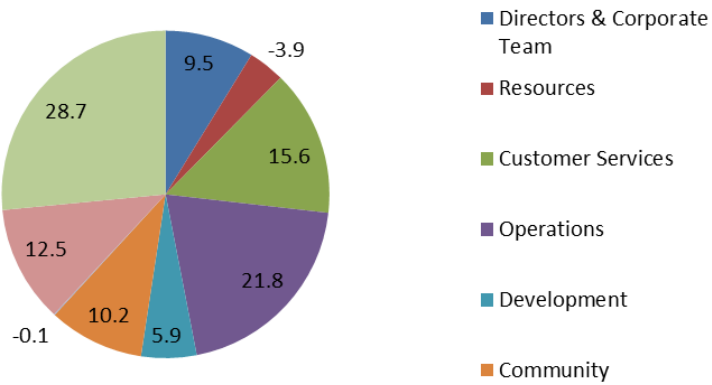
Gross Expenditure by Service 2019/20

%



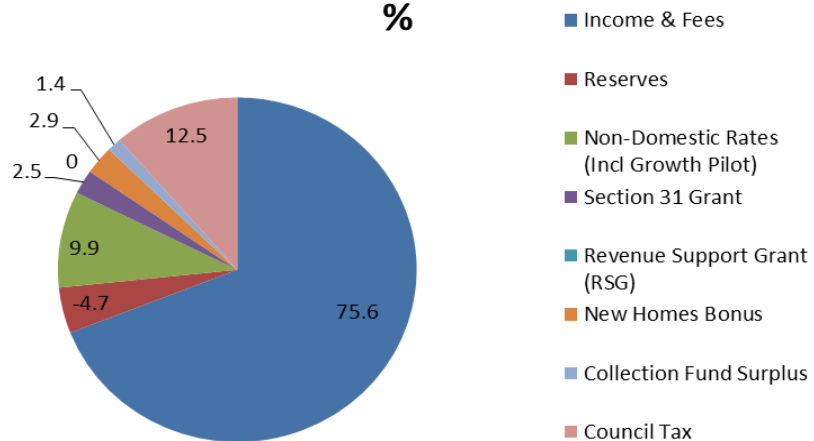
Net Expenditure by Service 2019/20

%



How Services are Paid for in 2019/20

%



1.4 Revenue Reserves

1.4.1 The impact on the General Fund Reserve of the grant settlement from Government, the Council's policy to increase Council Tax and the savings, income and growth built into the budget 2019/20 and MTFS is shown in **Table 7** below.

Table 7	Reserves and MTFS						
	2018/19		2019/20 Budget £000	Medium Term Financial Strategy			
	Budget £000	Forecast £000		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
GENERAL FUND (Unallocated) RESERVE							
b/f	2,698	2,658	2,686	2,573	2,505	2,702	2,726
<i>Contribution to Reserve</i>	1,891	1,265	0	0	0	0	0
<i>Contribution from Reserve</i>	0	0	1,247	(724)	(1,559)	(1,229)	(1,180)
Contribution from(to) Budget Surplus	(1,997)	(1,237)	(1,360)	656	1,756	1,253	1,249
c/f	2,592	2,686	2,573	2,505	2,702	2,726	2,795
Net Expenditure	17,282	17,908	17,156	16,699	18,010	18,172	18,631
Minimum Level of Reserves (15%)	2,592	2,686	2,573	2,505	2,702	2,726	2,795
BUDGET SURPLUS RESERVE							
b/f	2,212	2,212	3,449	3,820	3,164	1,408	155
<i>Contribution to Reserve</i>	0	0	0	0	0	0	0
<i>Contribution from Reserve</i>	0	0	0	0	0	0	0
Contribution from (to) General Fund	1,997	1,237	1,360	(656)	(1,756)	(1,253)	(1,249)
Contribution from (to) CIS Reserve	0	0	(266)	0	0	0	1,095
Contribution from (to) Earmarked Reserves	0	0	(723)	0	0	0	0
c/f	4,209	3,449	3,820	3,164	1,408	155	1
COMMERCIAL INVESTMENT RESERVE							
b/f	2,798	3,598	4,733	7,037	8,511	9,392	9,819
<i>Contribution to Reserve (former NHB)</i>	1135	1,135	2,038	1,474	881	427	0
<i>Contribution from Reserve</i>	0	0	0	0	0	0	0
Contribution from (to) General Fund	0	0	0	0	0	0	0
Contribution from (to) Budget Surplus Reserve	0	0	266	0	0	0	(1,095)
c/f	3,933	4,733	7,037	8,511	9,392	9,819	8,724

2.0 REVENUE OPERATIONAL BUDGETS AND MEDIUM TERM FINANCIAL STRATEGY

Table 8

2.1 Subjective Analysis of Spend and Income

Actuals 2017/18	Subjective Analysis : Controllable Only *		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£			£	£	£	£	£	£	£
(18,404,123)	=	Income & Fees							
(949,954)		Fees & charges	(17,797,278)	(17,258,136)	(17,894,232)	(17,879,192)	(18,010,165)	(18,131,600)	(18,215,449)
(3,312,262)		Sales	(1,011,643)	(1,235,961)	(1,038,857)	(1,051,794)	(1,053,794)	(1,055,794)	(1,055,794)
(34,027,375)		Rent	(3,582,160)	(5,468,224)	(5,795,423)	(6,078,233)	(5,584,177)	(5,609,577)	(5,776,577)
(3,314,684)		Government grants	(31,473,365)	(28,666,912)	(24,349,195)	(18,243,910)	(13,401,483)	(12,561,291)	(12,560,291)
(463,707)		Other grants and contributions	(3,637,140)	(3,315,366)	(3,106,264)	(3,114,046)	(3,137,495)	(3,163,323)	(3,163,323)
0		Interest	(469,499)	(456,500)	(532,500)	(532,500)	(532,500)	(532,500)	(532,500)
0		Commuted sums	0	(151,331)	(151,331)	(151,331)	(151,331)	(151,331)	(151,331)
(60,472,104)		Income & Fees Total	(57,971,085)	(56,552,430)	(52,867,801)	(47,051,005)	(41,870,944)	(41,205,415)	(41,455,264)
17,286,514	=	Employees							
1,494,190		Salary	17,168,515	18,849,598	18,468,223	18,522,074	18,647,839	18,888,459	18,958,115
4,199,334		National Insurance	1,531,148	1,643,299	1,597,516	1,609,829	1,619,357	1,629,895	1,635,193
1,755,253		Pension	2,707,082	2,962,239	2,933,718	3,126,100	3,318,206	3,508,445	3,695,497
192,267		Hired Staff	1,166,911	182,459	319,359	319,359	319,359	319,359	319,359
104,173		Employee Insurance	195,277	187,016	195,345	215,917	238,546	238,546	238,546
221,795		Recruitment	57,986	7,742	15,150	15,150	15,150	15,150	15,150
59,303		Training	190,385	196,974	178,567	175,567	175,567	175,567	175,567
322,573		Uniform & laundry	47,332	44,780	40,876	46,226	46,226	46,226	46,376
388,278		Other staff costs	1,819,237	1,779,979	1,796,563	1,812,403	1,828,401	1,844,559	1,860,879
		Severance payments	193,714	199,000	177,650	168,767	160,329	152,313	152,313
26,023,680		Employees Total	25,077,588	26,053,086	25,722,966	26,011,391	26,363,629	26,818,518	27,096,994
231,887	=	Buildings							
837,040		Rents	207,395	195,959	172,859	172,359	172,359	196,359	196,359
743,189		Rates	1,114,018	1,157,059	1,196,853	1,232,971	1,269,960	1,308,053	1,347,087
701,443		Repairs & Maintenance	783,520	680,267	650,060	642,660	657,460	642,660	642,660
142,250		Energy Costs	736,158	745,284	894,276	944,276	905,276	905,276	905,276
265,129		Water Services	142,538	140,769	164,558	164,558	164,558	164,558	164,558
75,148		Premises Cleaning	215,549	225,507	240,910	240,910	240,910	240,910	240,910
24,476		Premises Insurance	91,799	74,653	96,453	103,590	108,038	108,038	108,038
		Ground Maintenance Costs	229,400	21,900	23,080	20,910	20,910	20,910	20,910
3,020,561		Buildings Total	3,520,377	3,241,398	3,438,929	3,522,234	3,539,471	3,586,764	3,625,798
35,158	=	Supplies & Services							
379,540		Catering	24,461	29,321	21,579	21,579	21,579	21,579	21,579
571,879		Members Allowances	376,742	404,864	402,364	402,364	402,364	402,364	402,364
1,140,397		Office expenses	532,205	613,605	437,841	426,483	436,483	461,883	461,883
4,820,041		Communication and computing	1,215,440	1,182,731	1,022,610	1,001,710	1,000,110	1,044,710	1,043,110
4,255,482		Services	4,746,574	6,157,493	6,961,404	6,815,523	7,379,856	7,153,832	7,556,201
519		Equipment, furniture & materials	4,700,797	3,981,293	3,819,349	3,727,649	3,721,949	3,728,949	3,728,449
188		Uniform & laundry	246	380	780	780	780	780	780
109,905		Expenses	623	1,061	0	0	0	0	0
		Insurance - service related	82,310	80,945	76,967	78,870	80,919	80,919	80,919
11,313,110		Supplies & Services Total	11,679,397	12,451,693	12,742,894	12,474,958	13,044,040	12,895,016	13,295,285
59,323	=	Transport							
(115)		Mileage Allowance	60,492	59,521	65,608	65,483	65,483	65,483	65,483
157,956		Pool Car	27,752	34,600	31,925	31,925	31,925	31,925	31,925
34,025		Vehicle Insurance	176,866	82,166	167,166	172,528	177,528	177,528	177,528
1,025,103		Public Transport	21,167	20,678	28,036	27,536	27,648	27,767	27,767
110,193		Operating Costs	1,006,652	870,219	921,587	921,587	939,549	939,549	939,549
		Contract Hire & operating leases	26,320	18,100	18,798	18,798	18,798	18,798	18,798
1,386,485		Transport Total	1,319,248	1,085,284	1,233,120	1,237,857	1,260,931	1,261,050	1,261,050
145,547	=	Benefit & Transfer Payments							
402,406		Irrecoverable V A T	108,413	116,500	116,500	116,500	116,500	116,500	116,500
1,086,903		Levies	403,065	402,278	407,868	407,868	407,868	407,868	407,868
937,508		Contributions paid	1,168,251	1,028,000	1,349,011	702,011	702,011	702,011	702,011
33,836,410		Grants	913,555	951,200	860,939	830,939	830,939	830,939	830,939
0		Benefits	31,395,312	28,325,340	24,040,830	18,210,530	13,359,830	12,505,430	12,505,430
		Discretionary Relief	0	0	39,000	39,000	0	0	0
36,408,774		Benefit & Transfer Payments Total	33,988,596	30,823,318	26,814,148	20,306,848	15,417,148	14,562,748	14,562,748
0	=	Renewals Fund Contribution							
0		Renewals Fund Contribution	8,232	33,232	33,232	33,232	33,232	33,232	33,232
0		Renewals Fund Contribution Total	8,232	33,232	33,232	33,232	33,232	33,232	33,232
169,253	=	Reserve-Revenue Transfers							
0		Bad Debts Provision	135,290	146,046	152,046	167,046	187,046	187,046	177,046
		Reserve-Revenue Transfers	0	0	(113,000)	(4,000)	34,000	34,000	34,000
169,253		Reserve-Revenue Transfers Total	135,290	146,046	39,046	163,046	221,046	221,046	211,046
17,849,758		Net Expenditure	17,757,644	17,281,627	17,156,534	16,698,561	18,008,553	18,172,959	18,630,889
78,321,862		Gross Service Expenditure	75,728,728	73,834,057	70,024,335	63,749,566	59,879,497	59,378,374	60,086,153
(60,472,104)		Gross Service Income	(57,971,085)	(56,552,430)	(52,867,801)	(47,051,005)	(41,870,944)	(41,205,415)	(41,455,264)
17,849,758		Net Service Expenditure	17,757,644	17,281,627	17,156,534	16,698,561	18,008,553	18,172,959	18,630,889
		Budget Totals by Head of Service							
1,836,325		Head of Community	1,773,556	1,757,540	1,742,449	1,771,858	1,791,612	1,826,435	1,865,913
2,504,242		Head of Customer Services	2,486,240	2,532,925	2,676,853	3,159,586	3,339,730	3,358,443	3,255,977
1,080,527		Head of Development	808,298	1,070,903	1,009,657	919,548	960,025	1,000,102	1,041,943
127,058		Head of Leisure & Health	101,479	(190,096)	(20,906)	(507,061)	(713,126)	(749,255)	(740,732)
4,832,479		Head of Operations	4,590,286	3,910,719	3,742,155	3,532,046	4,086,982	4,059,139	4,161,369
1,455,022		Directors & Corporate Team	1,459,811	1,642,088	1,625,723	1,630,678	1,657,766	1,660,159	1,682,992
1,729,551		Head of 3C's ICT Shared Service	2,076,761	2,128,103	2,144,799	2,104,241	2,119,911	2,135,813	2,191,543
(142,688)		Head of Resources	(191,391)	(317,999)	(667,957)	(818,559)	(340,948)	(321,925)	(463,755)
4,427,242		Head of Resources (Corporate Budgets)	4,652,603	4,747,444	4,903,760	4,906,223	5,106,600	5,204,047	5,635,638
17,849,758		Net Service Expenditure Total	17,757,644	17,281,627	17,156,534	16,698,561	18,008,553	18,172,959	18,630,889

Analysis of Budget Variations - HDC Total Budget

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	17,281,627	17,394,096	17,677,091	18,085,962	18,253,626	18,253,626
New Bids Added						
Community		(31,000)	(31,000)	(49,000)	(49,000)	(49,000)
Customer Services		46,341	387,341	484,410	439,410	279,410
3C's ICT		66,000	5,000	5,000	5,000	5,000
Development		(153,000)	(184,000)	(185,000)	(187,000)	(188,000)
Leisure & Health		193,494	(123,000)	(336,410)	(376,763)	(455,763)
Operations		93,384	(229,616)	211,384	66,384	51,384
Resources		(310,100)	(450,300)	(32,100)	(38,300)	(205,300)
Resources (Corporate Items)		(158,000)	(204,000)	(15,000)	237,000	654,000
Directors & Corporate Team		(45,000)	(65,000)	(55,000)	(65,000)	(65,000)
Adjustment to Inflation		(1)	(3,624)	(8,721)	(14,643)	280,748
Other Budget Adjustments						
General Salary Changes (All Services)		(292,309)	(301,853)	(305,484)	(309,172)	(137,203)
Other Service Operational Adjustments:-						
Community		29,604	15,604	15,604	15,604	15,604
Customer Services		16,924	18,160	19,160	20,160	21,160
3C's ICT		118,192	123,192	123,192	123,192	123,192
Development		(1,121)	(1,121)	(1,121)	(1,121)	(1,121)
Leisure & Health		164,538	40,801	27,106	29,087	23,288
Operations		0	0	0	0	0
Resources		39,269	39,269	39,456	39,456	39,456
Resources (Corporate Items)		13,722	14,116	13,614	13,538	13,907
Directors & Corporate Team		(28,499)	(28,499)	(28,499)	(28,499)	(28,499)
New MTFS Totals	17,281,627	17,156,534	16,698,561	18,008,553	18,172,959	18,630,889

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

2.2 Service Budgets by Head of Service

Table 9

Head of Community									
Actuals 2017/18	Subjective Analysis : Controllable Only		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£			£	£	£	£	£	£	£
(951,266)	Income & Fees	Fees & charges	(865,110)	(881,634)	(972,848)	(957,948)	(957,248)	(962,848)	(962,848)
(37,438)		Sales	(500)	(109,100)	(600)	(600)	(600)	(600)	(600)
(94,225)		Other grants and contributions	(92,131)	(95,275)	(64,975)	(64,975)	(64,975)	(64,975)	(64,975)
(848)		Interest	0	0	0	0	0	0	0
(1,083,777)	Income & Fees Total		(957,741)	(1,086,009)	(1,038,423)	(1,023,523)	(1,022,823)	(1,028,423)	(1,028,423)
1,562,423	Employees	Salary	1,567,330	1,696,259	1,732,721	1,750,038	1,749,527	1,767,011	1,784,669
150,103		National Insurance	149,254	156,290	161,295	162,908	164,538	166,183	167,845
259,704		Pension	264,373	285,595	279,047	298,126	317,561	337,355	357,513
5,693		Hired Staff	30,530	5,000	5,000	5,000	5,000	5,000	5,000
4,697		Training	7,333	4,400	4,400	4,400	4,400	4,400	4,400
1,746		Uniform & laundry	589	700	700	700	700	700	700
14,083		Other staff costs	6,511	1,112	6,112	6,112	6,112	6,112	6,112
6,646		Recruitment	8,800	0	0	0	0	0	0
98,140		Severance payments	0	0	0	0	0	0	0
2,103,235	Employees Total		2,034,719	2,149,356	2,189,275	2,227,284	2,247,838	2,286,761	2,326,239
8,518	Buildings	Rents	763	780	780	780	780	780	780
29,403		Repairs & Maintenance	2,375	2,500	2,500	2,500	2,500	2,500	2,500
4,378		Energy Costs	5,316	4,000	4,000	4,000	4,000	4,000	4,000
42,298	Buildings Total		8,454	7,280	7,280	7,280	7,280	7,280	7,280
1,391	Supplies & Services	Catering	246	521	521	521	521	521	521
102,920		Communication and computing	107,283	60,701	56,145	31,145	31,145	31,145	31,145
41,771		Services	69,794	40,462	29,820	29,820	29,820	29,820	29,820
241,642		Equipment, furniture & materials	175,442	137,451	228,989	230,489	228,989	230,489	230,489
24,497		Office expenses	(17,276)	99,550	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
138		Uniform & laundry	246	380	380	380	380	380	380
308		Insurance - service related	0	0	0	0	0	0	0
412,664	Supplies & Services Total		335,735	339,065	303,855	280,355	278,855	280,355	280,355
17,415	Transport	Mileage Allowance	20,615	19,951	16,451	16,451	16,451	16,451	16,451
40,239		Operating Costs	43,585	41,399	10,113	10,113	10,113	10,113	10,113
4,002		Pool Car	3,996	7,100	4,500	4,500	4,500	4,500	4,500
3,029		Public Transport	1,274	1,261	1,261	1,261	1,261	1,261	1,261
64,685	Transport Total		69,470	69,711	32,325	32,325	32,325	32,325	32,325
15	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0	0
297,039		Grants	276,305	271,525	241,525	241,525	241,525	241,525	241,525
166		Irrecoverable V A T	0	0	0	0	0	0	0
297,220	Benefit & Transfer Payments Total		276,305	271,525	241,525	241,525	241,525	241,525	241,525
0	Renewals Fund Contribution	Renewals Fund Contribution	6,612	6,612	6,612	6,612	6,612	6,612	6,612
0	Renewals Fund Contribution Total		6,612	6,612	6,612	6,612	6,612	6,612	6,612
1,836,325	Grand Total		1,773,556	1,757,540	1,742,449	1,771,858	1,791,612	1,826,435	1,865,913
2,920,102	Gross Service Expenditure		2,731,296	2,843,549	2,780,872	2,795,381	2,814,435	2,854,858	2,894,336
(1,083,777)	Gross Service Income		(957,741)	(1,086,009)	(1,038,423)	(1,023,523)	(1,022,823)	(1,028,423)	(1,028,423)
1,836,325	Net Service Expenditure		1,773,556	1,757,540	1,742,449	1,771,858	1,791,612	1,826,435	1,865,913
87,459	Head of Community		85,754	85,288	86,076	87,538	89,021	90,526	92,052
311,601	Commercial Team		238,045	276,784	266,776	271,242	275,771	280,363	285,021
573,757	Community Team		572,025	615,019	584,272	590,699	597,220	603,836	610,546
96,208	Corporate Health & Safety		103,241	104,997	105,509	107,154	108,823	110,516	112,232
133,624	Environmental Health Admin		145,177	143,662	146,997	149,267	133,568	135,721	137,905
330,798	Environmental Protection Team		313,840	342,384	314,123	320,981	324,914	331,924	337,512
(182,448)	Licencing		(120,217)	(103,951)	(115,622)	(96,335)	(91,185)	(92,272)	(87,694)
5,906	Emergency Planning		12,067	11,575	11,575	11,575	11,575	11,575	11,575
299,844	Document Centre		297,047	194,849	247,662	253,107	258,630	264,231	269,912
255	Closed Churchyards		2,000	2,000	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
(59,330)	CCTV		(68,665)	(70,393)	(89,496)	(89,496)	(89,496)	(89,496)	(89,496)
238,650	CCTV Shared Service		193,241	155,326	197,577	179,126	185,771	192,511	199,348
1,836,325	Grand Total		1,773,556	1,757,540	1,742,449	1,771,858	1,791,612	1,826,435	1,865,913

Analysis of Budget Variations - Community

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	1,778,902	1,765,474	1,808,462	1,846,584	1,881,165	1,881,165
MFD Budgets to 3C ICT	(21,362)	(21,362)	(21,362)	(21,362)	(21,362)	(21,362)
Adjusted Previous MTFS Totals	1,757,540	1,744,112	1,787,100	1,825,222	1,859,803	1,859,803
New Bids Added						
Document Centre Reduced Income		40,000	40,000	40,000	40,000	40,000
Hackney Carriage New Income Pilot		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Closed Churchyard Levy		(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Community Information MS Replacement		(26,000)	(26,000)	(44,000)	(44,000)	(44,000)
Community Chest		(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Adjustment to Inflation		0	136	276	229	22,922
Minor Budget Adjustments						
Misc. Salary , NI & Pension		(267)	18	(490)	(201)	16,584
Document Centre		17,000	17,000	17,000	17,000	17,000
CCC Contract Terminated		5,300	5,300	5,300	5,300	5,300
CCTV Costs (Excluding Salaries)		11,764	(13,236)	(13,236)	(13,236)	(13,236)
Licensing		0	10,000	10,000	10,000	10,000
Other Minor Adjustments		(4,460)	(3,460)	(3,460)	(3,460)	(3,460)
New MTFS Totals	1,757,540	1,742,449	1,771,858	1,791,612	1,826,435	1,865,913

Table 10

Head of Customer Services

Actuals 2017/18	Subjective Analysis : Controllable Only		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£			£	£	£	£	£	£	£
(2,187,453)	Income & Fees	Fees & charges	(2,092,453)	(1,782,055)	(2,031,202)	(1,247,683)	(1,131,266)	(1,110,761)	(1,110,761)
(33,712,958)		Government grants	(31,433,349)	(28,610,990)	(24,296,273)	(18,190,988)	(13,348,561)	(12,508,369)	(12,507,369)
(35,900,410)	Income & Fees Total		(33,525,802)	(30,393,045)	(26,327,475)	(19,438,671)	(14,479,827)	(13,619,130)	(13,618,130)
2,287,684	Employees	Salary	2,401,948	2,527,668	2,532,965	2,557,146	2,581,569	2,569,896	2,476,569
216,777		National Insurance	229,678	239,202	237,666	239,931	242,219	241,905	233,325
359,562		Pension	380,686	398,433	398,983	426,266	454,055	475,958	484,399
73,063		Hired Staff	29,491	0	0	0	0	0	0
1,535		Training	4,705	1,350	1,350	1,350	1,350	1,350	1,350
228		Uniform & laundry	191	200	(2,300)	200	(2,300)	200	200
24,770		Other staff costs	21,063	20,220	20,220	20,220	20,220	20,220	20,220
591		Recruitment	0	0	0	0	0	0	0
3,646		Severance payments	0	0	0	0	0	0	0
2,967,857	Employees Total		3,067,761	3,187,073	3,188,884	3,245,113	3,297,113	3,309,529	3,216,063
26,409	Buildings	Rents	17,412	19,400	0	0	0	0	0
21,034		Repairs & Maintenance	11,119	82	82	82	82	82	82
398		Energy Costs	33	600	0	0	0	0	0
436		Water Services	200	200	0	0	0	0	0
2,700		Rates	0	4,443	0	0	0	0	0
822		Premises Cleaning	0	1,000	0	0	0	0	0
0		Premises Insurance	0	200	0	0	0	0	0
51,799	Buildings Total		28,764	25,925	82	82	82	82	82
524	Supplies & Services	Catering	0	100	100	100	100	100	100
114,168		Communication and computing	102,810	105,500	105,500	105,500	105,500	105,500	105,500
123,143		Services	129,886	128,505	198,505	198,505	198,505	198,505	198,505
95,082		Equipment, furniture & materials	19,864	7,431	7,431	7,431	7,431	7,431	7,431
35,382		Office expenses	46,389	47,560	47,560	47,560	47,560	47,560	47,560
368,300	Supplies & Services Total		298,948	289,096	359,096	359,096	359,096	359,096	359,096
1,391	Transport	Mileage Allowance	2,356	3,100	3,000	3,000	3,000	3,000	3,000
13,306		Pool Car	9,249	9,110	9,110	9,110	9,110	9,110	9,110
10,857		Public Transport	7,110	8,280	8,280	8,280	8,280	8,280	8,280
25,554	Transport Total		18,715	20,490	20,390	20,390	20,390	20,390	20,390
1,010,746	Benefit & Transfer Payments	Contributions paid	1,092,251	952,000	1,273,000	626,000	626,000	626,000	626,000
33,836,410		Benefits	31,395,312	28,325,340	24,040,830	18,210,530	13,359,830	12,505,430	12,505,430
34,847,156	Benefit & Transfer Payments Total		32,487,563	29,277,340	25,313,830	18,836,530	13,985,830	13,131,430	13,131,430
143,987	Reserve-Revenue Transfers	Bad Debts Provision	110,290	126,046	122,046	137,046	157,046	157,046	147,046
143,987	Reserve-Revenue Transfers Total		110,290	126,046	122,046	137,046	157,046	157,046	147,046
2,504,242	Grand Total		2,486,240	2,532,925	2,676,853	3,159,586	3,339,730	3,358,443	3,255,977

38,404,652	Gross Service Expenditure	36,012,042	32,925,970	29,004,328	22,598,257	17,819,557	16,977,573	16,874,107
(35,900,410)	Gross Service Income	(33,525,802)	(30,393,045)	(26,327,475)	(19,438,671)	(14,479,827)	(13,619,130)	(13,618,130)
2,504,242	Net Service Expenditure	2,486,240	2,532,925	2,676,853	3,159,586	3,339,730	3,358,443	3,255,977

63,378	Head of Customer Services	10,549	98,042	106,909	108,804	110,727	112,678	114,656
(156,193)	Council Tax Support	(129,076)	(127,354)	(122,896)	(121,896)	(120,896)	(119,896)	(118,896)
(226,059)	Local Tax Collection	(226,499)	(227,770)	(227,770)	(227,770)	(227,770)	(227,770)	(227,770)
1,123,120	Housing Benefits	966,570	919,948	1,050,444	1,439,063	1,573,708	1,561,899	1,439,420
863,797	Housing Needs	1,010,732	1,018,645	1,066,215	1,140,892	1,171,723	1,182,709	1,184,994
836,200	Customer Services	853,965	851,414	803,951	820,493	832,238	848,823	863,573
2,504,242	Grand Total	2,486,240	2,532,925	2,676,853	3,159,586	3,339,730	3,358,443	3,255,977

Analysis of Budget Variations - Customer Services

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	2,532,925	2,604,212	2,742,836	2,823,007	2,884,145	2,884,145
Services moved	0	0	0	0	0	0
Adjusted Previous MTFS Totals	2,532,925	2,604,212	2,742,836	2,823,007	2,884,145	2,884,145
New Bids Added						
Higher Net Cost of Homeless Benefits		129,000	575,000	575,000	575,000	575,000
Coneygear Court Homeless Accommodation		(44,000)	(44,000)	(44,000)	(44,000)	(44,000)
Crown Gardens Homeless Accommodation		0	(142,000)	(142,000)	(142,000)	(142,000)
Homeless Prevention		30,000	30,000	30,000	30,000	30,000
Homeless Bad Debt Provision		2,000	17,000	37,000	37,000	27,000
Joint Commissioning - Housing Support		40,000	40,000	40,000	40,000	40,000
Call Centre Interventions		39,000	39,000	39,000	39,000	39,000
Closure of Satellite Offices		(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
Recovery Officer		(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Universal Credit Admin Grant Impact		45,952	67,952	67,952	67,952	67,952
Universal Credit Other Savings		0	0	0	(45,000)	(45,000)
New Burdens Grants		(77,069)	(77,069)	0	0	0
Council Tax Support Grant - Reduced Allocation		3,458	3,458	3,458	3,458	3,458
Revenues Shared Service - to explore the potential for a Revs & Bens Shared Service		0	0	0	0	(150,000)
Robotics Pilot		(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Adjustment to Inflation		0	(370)	(726)	(1,065)	31,788
Minor Budget Adjustments						
Misc. Salary , NI & Pension		9,376	11,619	13,879	15,793	39,474
Grant Reduction - Council Tax Support		1,000	2,000	3,000	4,000	5,000
One-off Grant Budget removed		16,000	16,000	16,000	16,000	16,000
Other Minor Adjustments		(76)	160	160	160	160
New MTFS Totals	2,532,925	2,676,853	3,159,586	3,339,730	3,358,443	3,255,977

Table 11

Head of 3C's ICT

Actuals 2017/18	Subjective Analysis : Controllable Only		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£			£	£	£	£	£	£	£
(2,317,130)	Income & Fees	Fees & charges	(2,063,674)	(1,357,641)	(1,400,175)	(1,413,211)	(1,426,433)	(1,439,843)	(1,439,843)
(38)		Sales	(4,731)	(5,407)	(5,407)	(5,407)	(5,407)	(5,407)	(5,407)
(3,042,903)		Other grants and contributions	(3,392,566)	(3,120,541)	(2,999,558)	(3,024,470)	(3,049,737)	(3,075,365)	(3,075,365)
(7,679)		Government grants	0	0	0	0	0	0	0
(5,367,750)	Income & Fees Total		(5,460,971)	(4,483,589)	(4,405,140)	(4,443,088)	(4,481,577)	(4,520,615)	(4,520,615)
2,163,038	Employees	Salary	2,231,583	2,467,508	2,338,560	2,361,946	2,385,565	2,409,421	2,433,515
220,854		National Insurance	234,318	253,457	233,597	235,933	238,292	240,675	243,082
354,290		Pension	379,724	401,841	404,606	432,274	460,455	489,156	518,385
609,791		Hired Staff	134,429	0	92,000	92,000	92,000	92,000	92,000
47,484		Training	28,694	44,563	44,065	44,065	44,065	44,065	44,065
1,326		Uniform & laundry	310	530	1,326	1,326	1,326	1,326	1,326
29,259		Other staff costs	36,364	22,000	36,686	36,686	36,686	36,686	36,686
59,613		Recruitment	8,710	1,592	15,000	15,000	15,000	15,000	15,000
171		Employee Insurance	33	0	171	171	171	171	171
3,485,826	Employees Total		3,054,163	3,191,491	3,166,011	3,219,401	3,273,560	3,328,500	3,384,230
300	Buildings	Rents	0	0	300	300	300	300	300
6,317		Repairs & Maintenance	116,848	21,224	6,317	6,317	6,317	6,317	6,317
6,617	Buildings Total		116,848	21,224	6,617	6,617	6,617	6,617	6,617
508	Supplies & Services	Catering	101	0	508	508	508	508	508
629,431		Communication and computing	829,105	788,386	695,612	695,612	695,612	695,612	695,612
147,945		Services	(41,038)	(234,215)	43,409	43,409	43,409	43,409	43,409
2,820,420		Equipment, furniture & materials	3,525,475	2,801,927	2,600,942	2,544,942	2,544,942	2,544,942	2,544,942
(15,838)		Office expenses	43,984	36,374	13,386	13,386	13,386	13,386	13,386
0		Expenses	620	1,061	0	0	0	0	0
3,582,466	Supplies & Services Total		4,358,247	3,393,533	3,353,857	3,297,857	3,297,857	3,297,857	3,297,857
10,292	Transport	Mileage Allowance	3,249	0	10,292	10,292	10,292	10,292	10,292
243		Operating Costs	75	0	243	243	243	243	243
2,682		Pool Car	2,508	3,820	3,745	3,745	3,745	3,745	3,745
8,366		Public Transport	2,641	1,624	8,365	8,365	8,365	8,365	8,365
798		Contract Hire & operating leases	0	0	798	798	798	798	798
22,380	Transport Total		8,474	5,444	23,443	23,443	23,443	23,443	23,443
11	Benefit & Transfer Payments	Contributions paid	0	0	11	11	11	11	11
11	Benefit & Transfer Payments Total		0	0	11	11	11	11	11
1,729,551	Grand Total		2,076,761	2,128,103	2,144,799	2,104,241	2,119,911	2,135,813	2,191,543

7,097,300	Gross Service Expenditure	7,537,732	6,611,692	6,549,939	6,547,329	6,601,488	6,656,428	6,712,158
(5,367,750)	Gross Service Income	(5,460,971)	(4,483,589)	(4,405,140)	(4,443,088)	(4,481,577)	(4,520,615)	(4,520,615)
1,729,551	Net Service Expenditure	2,076,761	2,128,103	2,144,799	2,104,241	2,119,911	2,135,813	2,191,543

1,729,551	ICT Shared Service	2,076,761	2,128,103	2,144,799	2,104,241	2,119,911	2,135,813	2,191,543
1,729,551	Grand Total	2,076,761	2,128,103	2,144,799	2,104,241	2,119,911	2,135,813	2,191,543

Analysis of Budget Variations - 3C's ICT

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	2,106,741	2,116,516	2,133,804	2,151,340	2,169,126	2,169,126
MFD Budgets from Community	21,362	21,362	21,362	21,362	21,362	21,362
Adjusted Previous MTFS Totals	2,128,103	2,137,878	2,155,166	2,172,702	2,190,488	2,190,488
New Bids Added						
Income Management System Replacement		(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Security Enhancements		30,000	25,000	25,000	25,000	25,000
Eastnet Upgrade		27,000	10,000	10,000	10,000	10,000
Community Information MS Replacement		29,000	(10,000)	(10,000)	(10,000)	(10,000)
Adjustment to Inflation		0	(1,773)	(3,565)	(5,374)	26,019
Minor Budget Adjustments						
Misc. Salary , NI & Pension		(177,271)	(177,344)	(177,418)	(177,493)	(153,156)
Reduced Income from Partners		99,902	99,902	99,902	99,902	99,902
Operational Costs		18,290	23,290	23,290	23,290	23,290
New MTFS Totals	2,128,103	2,144,799	2,104,241	2,119,911	2,135,813	2,191,543

Table 12

Head of Development

Actuals 2017/18	Subjective Analysis : Controllable Only	2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£		£	£	£	£	£	£	£
(2,015,409)	Income & Fees	(1,981,531)	(1,921,254)	(1,922,209)	(1,998,668)	(2,000,132)	(2,002,600)	(2,003,600)
(13,104)	Fees & charges	(7,014)	(7,300)	(7,300)	(7,300)	(7,300)	(7,300)	(7,300)
(50,000)	Sales	0	0	0	0	0	0	0
(20,000)	Other grants and contributions	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
(115,247)	Government grants	(110,070)	(110,070)	(110,070)	(110,070)	(110,070)	(110,070)	(110,070)
(2,213,760)	Income & Fees Total	(2,118,615)	(2,058,624)	(2,059,579)	(2,136,038)	(2,137,502)	(2,139,970)	(2,140,970)
1,634,034	Employees	1,628,650	1,775,304	1,805,946	1,824,293	1,842,823	1,861,538	1,880,153
161,715	Salary	167,177	177,758	177,698	179,504	181,326	183,169	185,001
283,309	National Insurance	281,492	307,156	309,684	330,861	352,429	374,395	396,767
41,860	Pension	30,418	11,500	0	0	0	0	0
40	Hired Staff	69	0	0	0	0	0	0
89	Training	266	350	350	350	350	350	350
3,384	Uniform & laundry	1,457	0	0	0	0	0	0
13,450	Other staff costs	9,373	5,000	0	0	0	0	0
	Recruitment							
2,137,880	Employees Total	2,118,901	2,277,068	2,293,678	2,335,008	2,376,928	2,419,452	2,462,271
5,552	Buildings	1,750	3,000	3,000	3,000	3,000	3,000	3,000
18,551	Rents	7,000	5,000	5,000	5,000	5,000	5,000	5,000
22,837	Repairs & Maintenance	26,400	26,400	27,900	27,900	27,900	27,900	27,900
32,315	Energy Costs	31,518	28,000	28,000	28,000	28,000	28,000	28,000
0	Water Services	648	648	667	687	708	729	751
	Rates							
79,255	Buildings Total	67,316	63,048	64,567	64,587	64,608	64,629	64,651
527	Supplies & Services	481	650	400	400	400	400	400
19,082	Catering	9,962	11,250	5,250	5,250	5,250	5,250	5,250
811,172	Communication and computing	493,064	537,405	523,796	498,796	498,796	498,796	498,796
8,242	Services	3,710	4,000	4,000	4,000	4,000	4,000	4,000
57,658	Equipment, furniture & materials	40,043	33,730	33,430	33,430	33,430	33,430	33,430
	Office expenses							
896,681	Supplies & Services Total	547,259	587,035	566,876	541,876	541,876	541,876	541,876
6,685	Transport	7,351	8,875	8,875	8,875	8,875	8,875	8,875
10,557	Mileage Allowance	8,232	8,770	8,770	8,770	8,770	8,770	8,770
1,754	Pool Car	3,123	3,500	3,500	3,500	3,500	3,500	3,500
	Public Transport							
18,995	Transport Total	18,707	21,145	21,145	21,145	21,145	21,145	21,145
4	Benefit & Transfer Payments	0	0	0	0	0	0	0
152,983	Contributions paid	167,311	173,811	115,550	85,550	85,550	85,550	85,550
8,488	Grants	5,800	5,800	5,800	5,800	5,800	5,800	5,800
	Irrecoverable V A T							
161,475	Benefit & Transfer Payments Total	173,111	179,611	121,350	91,350	91,350	91,350	91,350
0	Renewals Fund Contribution	1,620	1,620	1,620	1,620	1,620	1,620	1,620
0	Renewals Fund Contribution Total	1,620	1,620	1,620	1,620	1,620	1,620	1,620
1,080,527	Grand Total	808,298	1,070,903	1,009,657	919,548	960,025	1,000,102	1,041,943

3,294,287	Gross Service Expenditure	2,926,913	3,129,527	3,069,236	3,055,586	3,097,527	3,140,072	3,182,913
(2,213,760)	Gross Service Income	(2,118,615)	(2,058,624)	(2,059,579)	(2,136,038)	(2,137,502)	(2,139,970)	(2,140,970)
1,080,527	Net Service Expenditure	808,298	1,070,903	1,009,657	919,548	960,025	1,000,102	1,041,943

83,628	Head of Development	84,197	84,715	86,369	87,895	89,441	91,009	92,600
227,862	Building Control	97,829	152,540	152,540	152,540	152,540	152,540	152,540
169,834	Economic Development	148,127	160,822	181,240	184,047	186,893	189,779	192,389
446,328	Planning Policy	665,146	721,388	721,386	729,165	742,127	755,277	768,616
(99,217)	Development Management	(455,541)	(343,260)	(365,687)	(446,334)	(426,687)	(407,741)	(387,018)
178,162	Housing Strategy	190,835	212,478	182,709	186,135	189,611	193,138	196,716
23,834	Public Transport	21,586	26,100	26,100	26,100	26,100	26,100	26,100
50,096	Transportation Strategy	56,120	56,120	25,000	0	0	0	0
1,080,527	Grand Total	808,298	1,070,903	1,009,657	919,548	960,025	1,000,102	1,041,943

Analysis of Budget Variations - Development

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	1,070,903	1,169,359	1,111,209	1,153,664	1,196,735	1,196,735
Services moved	0	0	0	0	0	0
Adjusted Previous MTFS Totals	1,070,903	1,169,359	1,111,209	1,153,664	1,196,735	1,196,735
New Bids Added						
Increase in Pre-Application Fees		(24,000)	(25,000)	(26,000)	(28,000)	(29,000)
LEP Contribution removed		(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
LEAN Review savings (increase discharge of conditions fees and remove recruitment budget)		(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Reduce Appeals costs		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Housing Strategy Savings		(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Transportation Grants Savings		(31,000)	(56,000)	(56,000)	(56,000)	(56,000)
Great Fen Contribution Saving		(15,000)	(20,000)	(20,000)	(20,000)	(20,000)
Adjustment to Inflation		0	(277)	(564)	(861)	23,352
Minor Budget Adjustments						
Misc. Salary , NI & Pension		(5,581)	(6,263)	(6,954)	(7,651)	10,977
Other Minor Adjustments		(1,121)	(1,121)	(1,121)	(1,121)	(1,121)
New MTFS Totals	1,070,903	1,009,657	919,548	960,025	1,000,102	1,041,943

Table 13

Head of Leisure & Health

Actuals 2017/18	Subjective Analysis : Controllable Only		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£			£	£	£	£	£	£	£
(5,945,429)	Income & Fees	Fees & charges	(6,111,044)	(6,559,526)	(6,612,840)	(7,224,134)	(7,487,069)	(7,607,531)	(7,690,380)
(715,670)		Sales	(803,196)	(905,488)	(816,884)	(829,821)	(831,821)	(833,821)	(833,821)
(84,946)		Other grants and contributions	(147,498)	(94,290)	(36,471)	(19,341)	(17,523)	(17,723)	(17,723)
(5,000)		Rent	(4,166)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
(6,751,045)	Income & Fees Total		(7,065,903)	(7,564,304)	(7,471,195)	(8,078,296)	(8,341,413)	(8,464,075)	(8,546,924)
3,639,046	Employees	Salary	3,635,264	3,963,583	3,982,719	4,016,626	4,056,791	4,097,362	4,138,334
206,625		National Insurance	218,098	226,302	221,129	222,706	224,935	227,184	229,456
397,706		Pension	411,115	447,275	475,283	507,779	540,887	574,607	608,942
9,629		Hired Staff	23,876	11,750	11,750	11,750	11,750	11,750	11,750
22,171		Training	23,776	25,800	3,200	200	200	200	200
8,505		Uniform & laundry	8,657	10,800	8,600	11,450	8,600	11,450	11,600
14,733		Other staff costs	8,716	0	0	0	0	0	0
3,385		Recruitment	28,689	1,150	150	150	150	150	150
12,480		Severance payments	0	0	0	0	0	0	0
4,314,281	Employees Total		4,358,191	4,686,660	4,702,831	4,770,661	4,843,313	4,922,703	5,000,432
10,728	Buildings	Rents	18,162	14,475	10,475	9,975	9,975	9,975	9,975
228,267		Repairs & Maintenance	219,912	236,400	200,100	199,700	214,500	199,700	199,700
453,925		Energy Costs	500,227	488,649	630,357	676,357	637,357	637,357	637,357
95,589		Water Services	98,653	93,339	117,328	117,328	117,328	117,328	117,328
468,821		Rates	473,480	466,236	480,222	494,628	509,468	524,751	540,494
24,254		Ground Maintenance Costs	226,231	21,300	22,480	20,310	20,310	20,310	20,310
120,416		Premises Cleaning	119,569	116,147	132,430	132,550	132,550	132,550	132,550
1,402,001	Buildings Total		1,656,235	1,436,546	1,593,392	1,650,848	1,641,488	1,641,971	1,657,714
23,719	Supplies & Services	Catering	16,264	24,050	16,250	16,250	16,250	16,250	16,250
98,031		Communication and computing	76,767	80,186	82,395	86,495	84,895	86,495	84,895
187,887		Services	178,842	190,193	195,404	221,147	220,707	220,267	220,267
618,437		Equipment, furniture & materials	635,300	685,956	591,859	559,659	555,459	560,959	560,459
118,356		Office expenses	146,512	144,054	142,178	140,820	140,820	140,820	140,820
382		Uniform & laundry	0	0	400	400	400	400	400
64		Expenses	2	0	0	0	0	0	0
0		Insurance - service related	700	0	0	0	0	0	0
1,046,875	Supplies & Services Total		1,054,387	1,124,439	1,028,486	1,024,771	1,018,531	1,025,191	1,023,091
9,073	Transport	Mileage Allowance	10,297	10,345	9,640	9,515	9,515	9,515	9,515
6,696		Operating Costs	10,033	8,575	8,410	8,410	8,410	8,410	8,410
3,330		Public Transport	1,554	1,543	1,530	1,030	1,030	1,030	1,030
178		Contract Hire & operating leases	60	100	0	0	0	0	0
19,276	Transport Total		21,944	20,563	19,580	18,955	18,955	18,955	18,955
26	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0	0
95,644		Irrecoverable V A T	76,625	81,000	81,000	81,000	81,000	81,000	81,000
95,670	Benefit & Transfer Payments Total		76,625	81,000	81,000	81,000	81,000	81,000	81,000
0	Renewals Fund Contribution	Renewals Fund Contribution	0	25,000	25,000	25,000	25,000	25,000	25,000
0	Renewals Fund Contribution Total		0	25,000	25,000	25,000	25,000	25,000	25,000
127,058	Grand Total		101,479	(190,096)	(20,906)	(507,061)	(713,126)	(749,255)	(740,732)

6,878,103	Gross Service Expenditure	7,167,381	7,374,208	7,450,289	7,571,235	7,628,287	7,714,820	7,806,192
(6,751,045)	Gross Service Income	(7,065,903)	(7,564,304)	(7,471,195)	(8,078,296)	(8,341,413)	(8,464,075)	(8,546,924)
127,058	Net Service Expenditure	101,479	(190,096)	(20,906)	(507,061)	(713,126)	(749,255)	(740,732)

80,531	Head of Leisure & Health	81,333	81,788	82,576	84,038	85,521	87,026	88,552
197,463	One Leisure Active Lifestyles	354,267	205,371	176,686	149,571	145,633	141,299	146,915
(150,936)	One Leisure	(334,121)	(477,255)	(280,168)	(740,670)	(944,280)	(977,580)	(976,199)
127,058	Grand Total	101,479	(190,096)	(20,906)	(507,061)	(713,126)	(749,255)	(740,732)

Analysis of Budget Variations - Leisure & Health

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	(190,096)	(262,952)	(302,487)	(281,746)	(279,826)	(279,826)
Services moved	0	0	0	0	0	0
Adjusted Previous MTFS Totals	(190,096)	(262,952)	(302,487)	(281,746)	(279,826)	(279,826)
New Bids Added						
OLSI Outdoor - Fitness Offering		(24,122)	(110,616)	(160,026)	(184,379)	(184,379)
OLR 3G Pitch		(2,000)	(5,000)	(5,000)	(5,000)	(5,000)
Removal of The Club Alconbury Weald		6,000	6,000	6,000	6,000	6,000
Additional Utility Costs		177,616	223,616	184,616	184,616	184,616
General Price Increases		0	0	0	0	(75,000)
Burgess Hall Income Realignment		143,000	65,000	0	0	0
Exercise Referral & Physio Follow-on Income		(7,000)	(8,000)	(9,000)	(10,000)	(10,000)
OL Concessionary Pricing Scheme		(10,000)	(15,000)	(20,000)	(25,000)	(25,000)
Children & Families Activities Offer		0	(15,000)	(15,000)	(15,000)	(15,000)
Group Exercise Classes Income		(9,000)	(32,000)	(53,000)	(53,000)	(53,000)
OL St Ives Impressions Income		(38,000)	(144,000)	(167,000)	(167,000)	(167,000)
Swimming Pool Changing Rooms		(4,000)	(14,000)	(20,000)	(23,000)	(23,000)
OL Sawtry		(39,000)	(74,000)	(78,000)	(85,000)	(89,000)
Adjustment to Inflation		1	(606)	(1,280)	(1,941)	62,791
Minor Budget Adjustments						
Misc. Salary , NI & Pension		(115,987)	(121,769)	(120,796)	(119,812)	(91,222)
Adjustments to match current Income Trends		239,124	129,133	119,848	117,779	114,930
Changes to Operational Costs		(75,078)	(88,029)	(92,579)	(88,029)	(89,979)
Other Minor Adjustments		492	(303)	(163)	(663)	(1,663)
New MTFS Totals	(190,096)	(20,906)	(507,061)	(713,126)	(749,255)	(740,732)

Table 14

Head of Operations

Actuals 2017/18	Subjective Analysis : Controllable Only		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£ (4,206,773)	Income & Fees	Fees & charges	£ (4,238,844)	£ (4,372,384)	£ (4,531,885)	£ (4,566,885)	£ (4,566,885)	£ (4,566,885)	£ (4,566,885)
(175,833)		Sales	(196,066)	(208,666)	(208,666)	(208,666)	(208,666)	(208,666)	(208,666)
(42,610)		Other grants and contributions	(4,946)	(5,260)	(5,260)	(5,260)	(5,260)	(5,260)	(5,260)
(144,943)		Rent	(160,604)	(277,474)	(277,474)	(277,474)	(277,474)	(277,474)	(277,474)
(30,623)		Government grants	(13,000)	(15,922)	(15,922)	(15,922)	(15,922)	(15,922)	(15,922)
0		Commuted sums	0	(151,331)	(151,331)	(151,331)	(151,331)	(151,331)	(151,331)
(4,600,782)	Income & Fees Total		(4,613,460)	(5,031,037)	(5,190,538)	(5,225,538)	(5,225,538)	(5,225,538)	(5,225,538)
4,006,262	Employees	Salary	3,963,414	4,136,976	4,167,323	4,121,877	4,221,436	4,225,050	4,267,186
363,245		National Insurance	357,866	378,660	364,733	368,424	376,610	377,417	381,191
658,511		Pension	690,006	750,292	742,099	788,288	845,449	886,481	935,447
546,861		Hired Staff	379,859	131,909	188,309	188,309	188,309	188,309	188,309
9,960		Training	2,157	4	0	0	0	0	0
47,408		Uniform & laundry	37,320	32,200	32,200	32,200	32,200	32,200	32,200
208,454		Other staff costs	157,207	148,247	145,145	145,145	145,145	145,145	145,145
14,492		Recruitment	1,950	0	0	0	0	0	0
5,816		Severance payments	0	0	0	0	0	0	0
5,861,009	Employees Total		5,589,779	5,578,288	5,639,809	5,644,243	5,809,149	5,854,602	5,949,478
11,129	Buildings	Rents	11,187	13,104	13,104	13,104	13,104	13,104	13,104
356,729		Repairs & Maintenance	321,413	292,559	292,559	285,559	285,559	285,559	285,559
215,538		Energy Costs	198,086	220,635	225,019	229,019	229,019	229,019	229,019
13,695		Water Services	11,623	18,830	18,830	18,830	18,830	18,830	18,830
342,311		Rates	609,051	668,521	688,377	708,834	729,902	751,606	773,960
222		Ground Maintenance Costs	3,169	600	600	600	600	600	600
136,383		Premises Cleaning	83,099	93,720	93,720	93,720	93,720	93,720	93,720
37		Premises Insurance	81	140	140	140	140	140	140
1,076,044	Buildings Total		1,237,708	1,308,109	1,332,349	1,349,806	1,370,874	1,392,578	1,414,932
267	Supplies & Services	Catering	3,669	0	0	0	0	0	0
21,793		Communication and computing	10,383	7,545	7,545	7,545	7,545	7,545	7,545
457,499		Services	539,524	331,570	116,570	(75,430)	275,570	180,570	165,570
394,667		Equipment, furniture & materials	292,452	298,194	335,794	330,794	330,794	330,794	330,794
54,513		Office expenses	48,795	51,432	51,432	51,432	51,432	51,432	51,432
124		Expenses	0	0	0	0	0	0	0
9,185		Insurance - service related	7,363	4,000	4,000	4,000	4,000	4,000	4,000
938,048	Supplies & Services Total		902,185	692,741	515,341	318,341	669,341	574,341	559,341
1,272	Transport	Mileage Allowance	2,991	3,800	3,800	3,800	3,800	3,800	3,800
977,925		Operating Costs	952,958	820,245	902,821	902,821	920,783	920,783	920,783
803		Public Transport	1,059	1,080	1,080	1,080	1,080	1,080	1,080
109,217		Contract Hire & operating leases	26,260	18,000	18,000	18,000	18,000	18,000	18,000
(31,430)		Pool Car	3,280	5,000	5,000	5,000	5,000	5,000	5,000
11,613		Vehicle Insurance	11,536	1,429	1,429	1,429	1,429	1,429	1,429
1,069,400	Transport Total		998,085	849,554	932,130	932,130	950,092	950,092	950,092
43	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0	0
3,231		Irrecoverable V A T	8,050	9,200	9,200	9,200	9,200	9,200	9,200
485,486		Grants	467,939	503,864	503,864	503,864	503,864	503,864	503,864
488,761	Benefit & Transfer Payments Total		475,989	513,064	513,064	513,064	513,064	513,064	513,064
4,832,479	Grand Total		4,590,286	3,910,719	3,742,155	3,532,046	4,086,982	4,059,139	4,161,369

9,433,262	Gross Service Expenditure	9,203,746	8,941,756	8,932,693	8,757,584	9,312,520	9,284,677	9,386,907
(4,600,782)	Gross Service Income	(4,613,460)	(5,031,037)	(5,190,538)	(5,225,538)	(5,225,538)	(5,225,538)	(5,225,538)
4,832,479	Net Service Expenditure	4,590,286	3,910,719	3,742,155	3,532,046	4,086,982	4,059,139	4,161,369

85,000	Head of Operations	91,334	79,568	80,329	81,742	83,175	84,630	86,105
1,315,242	Green Spaces	1,315,710	1,138,441	1,024,402	945,706	959,076	927,792	941,736
82,659	Environmental & Energy Mgt	64,437	82,760	0	1,757	3,540	5,347	7,180
817,756	Street Cleansing	822,658	772,646	721,433	673,050	651,237	658,602	671,147
3,668	Public Conveniences	9,752	13,400	18,400	6,400	6,400	6,400	6,400
2,738,335	Waste Management	2,503,852	2,196,001	2,399,322	2,403,246	2,932,720	2,894,002	2,934,993
1,081,090	Facilities Management	985,813	870,109	964,033	985,156	1,002,690	1,020,648	1,038,092
268,714	Fleet Management	259,278	238,846	265,383	269,167	273,005	276,900	280,850
(45,474)	Markets	(55,781)	(60,998)	(64,783)	(77,968)	(76,118)	(74,233)	(72,310)
(1,514,511)	Car Parks	(1,406,767)	(1,420,054)	(1,666,364)	(1,756,210)	(1,748,743)	(1,740,949)	(1,732,824)
4,832,479	Grand Total	4,590,286	3,910,719	3,742,155	3,532,046	4,086,982	4,059,139	4,161,369

Analysis of Budget Variations - Operations

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	3,905,941	3,643,946	3,758,204	3,874,430	3,992,682	3,992,682
Insurance from Resources	4,778	4,778	4,778	4,778	4,778	4,778
Adjusted Previous MTFS Totals	3,910,719	3,648,724	3,762,982	3,879,208	3,997,460	3,997,460
New Bids Added						
In Cab Technology		35,000	35,000	35,000	35,000	35,000
Climate Change Levy		28,000	28,000	28,000	28,000	28,000
Utility Bills		4,384	8,384	8,384	8,384	8,384
St Ives Park		35,000	30,000	30,000	35,000	35,000
Street Cleaning - Litter Minimisation		38,000	0	0	0	0
Waste Management						
Cost of Recycling		0	0	400,000	400,000	400,000
Agency Staff		60,000	60,000	60,000	60,000	60,000
Recycling Contamination		110,000	110,000	110,000	110,000	110,000
Household Waste Collection		0	0	90,000	90,000	90,000
Dry Recycling Collection		90,000	90,000	90,000	90,000	90,000
Residual Waste collection		90,000	90,000	90,000	90,000	90,000
Fuel		80,000	80,000	80,000	80,000	80,000
Household Recycling Rate (60%)		80,000	80,000	80,000	0	0
Increase Green Bin charge		(15,000)	(30,000)	(30,000)	(30,000)	(30,000)
Increase Bulky Waste charge		(10,000)	(15,000)	(15,000)	(15,000)	(15,000)
Replacement Bin Delivery charge		(25,000)	(30,000)	(30,000)	(30,000)	(30,000)
New Development Bins		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Bag Delivery charge		(2,000)	(12,000)	(12,000)	(12,000)	(12,000)
Hire Vehicles		(5,000)	(15,000)	(15,000)	(15,000)	(15,000)
Split vehicles to sell parts		0	(5,000)	(5,000)	(5,000)	(5,000)
Car Park charges increase		(225,000)	(300,000)	(300,000)	(300,000)	(300,000)
Huntingdon Bus Station - short stay parking		(30,000)	(50,000)	(55,000)	(60,000)	(65,000)
Divest Subsidised Car Park		0	(7,000)	(7,000)	(7,000)	(7,000)
Hinchingsbrooke Country Park Master Plan		0	(70,000)	(80,000)	(90,000)	(100,000)
Paxton Pits Master Plan		0	0	0	(50,000)	(50,000)
Street Cleaning - increase charges by RPI		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Management reduction (Street Cleaning)		0	(23,000)	(23,000)	(23,000)	(23,000)
Litter bin removal programme		(47,000)	(47,000)	(81,000)	(86,000)	(86,000)
Godmanchester Nursery- Disinvestment		(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
Open Spaces - Events Management		0	(27,000)	(27,000)	(27,000)	(27,000)
Cease Highway weed spraying		(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
Arboriculture Team changes		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Community Toilet Scheme		5,000	(7,000)	(7,000)	(7,000)	(7,000)
Commercial Waste - Trade Option		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Adjustment to Inflation		47	2,303	3,662	5,716	82,845
Minor Budget Adjustments						
Misc. Salary , NI & Pension		0	(3,623)	(7,272)	(10,421)	29,680
Other Minor Adjustments		0	0	0	0	0
New MTFS Totals	3,910,719	3,742,155	3,532,046	4,086,982	4,059,139	4,161,369

Table 15

Head of Resources									
Actuals 2017/18	Subjective Analysis : Controllable Only		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£			£	£	£	£	£	£	£
(276,590)	Income & Fees	Fees & charges	(166,125)	(166,642)	(177,573)	(225,163)	(195,632)	(195,632)	(195,632)
(4,505)		Sales	0	0	0	0	0	0	0
(544)		Interest	0	0	0	0	0	0	0
(3,047,072)		Rent	(3,307,321)	(5,075,680)	(5,402,879)	(5,685,689)	(5,191,633)	(5,217,033)	(5,384,033)
(3,328,711)	Income & Fees Total		(3,473,445)	(5,242,322)	(5,580,452)	(5,910,852)	(5,387,265)	(5,412,665)	(5,579,665)
992,072	Employees	Salary	894,132	1,268,318	1,129,218	1,141,435	1,053,774	1,064,236	1,074,804
92,962		National Insurance	81,789	118,459	118,360	119,544	109,739	110,837	111,943
161,435		Pension	153,312	219,146	189,908	203,896	198,188	210,541	223,122
449,721		Hired Staff	525,300	0	0	0	0	0	0
129,060		Training	117,767	116,257	116,952	116,952	116,952	116,952	116,952
26,898		Other staff costs	3,725	4,400	4,400	4,400	4,400	4,400	4,400
3,945		Recruitment	464	0	0	0	0	0	0
192,096		Employee Insurance	195,245	187,016	195,174	215,746	238,375	238,375	238,375
2,048,189	Employees Total		1,971,733	1,913,597	1,754,012	1,801,973	1,721,428	1,745,341	1,769,596
124,647	Buildings	Rents	133,981	120,000	144,000	144,000	144,000	144,000	144,000
82,812		Repairs & Maintenance	104,592	122,502	143,502	143,502	143,502	143,502	143,502
4,367		Energy Costs	6,095	5,000	7,000	7,000	7,000	7,000	7,000
75,111		Premises Insurance	91,718	74,313	96,313	103,450	107,898	107,898	107,898
7,509		Premises Cleaning	12,882	14,640	14,640	14,640	14,640	14,640	14,640
215		Water Services	545	400	400	400	400	400	400
23,207		Rates	30,839	17,211	27,587	28,822	29,882	30,967	31,882
317,869	Buildings Total		380,652	354,066	433,442	441,814	447,322	448,407	449,322
2,189	Supplies & Services	Catering	26	0	0	0	0	0	0
6,821		Communication and computing	3,421	2,700	2,700	2,700	2,700	2,700	2,700
438,847		Services	595,723	2,399,820	2,496,298	2,503,498	2,487,398	2,506,704	2,506,704
63,551		Equipment, furniture & materials	47,584	45,834	49,834	49,834	49,834	49,834	49,834
26,185		Office expenses	27,303	31,505	31,055	31,055	31,055	31,055	31,055
97,670		Insurance - service related	69,637	73,065	69,087	70,990	73,039	73,039	73,039
635,264	Supplies & Services Total		743,694	2,552,924	2,648,974	2,658,077	2,644,026	2,663,332	2,663,332
1,383	Transport	Mileage Allowance	728	750	750	750	750	750	750
590		Pool Car	386	600	600	600	600	600	600
2,422		Public Transport	1,594	1,150	1,480	1,480	1,592	1,711	1,711
146,343		Vehicle Insurance	165,330	80,737	165,737	171,099	176,099	176,099	176,099
150,738	Transport Total		168,038	83,237	168,567	173,929	179,041	179,160	179,160
2	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0	0
33,961		Irrecoverable V A T	17,938	20,500	20,500	20,500	20,500	20,500	20,500
33,962	Benefit & Transfer Payments Total		17,938	20,500	20,500	20,500	20,500	20,500	20,500
0	Reserve-Revenue Transfers	Reserve-Revenue Transfers	0	0	(113,000)	(4,000)	34,000	34,000	34,000
0	Reserve-Revenue Transfers Total		0	0	(113,000)	(4,000)	34,000	34,000	34,000
(142,688)	Grand Total		(191,391)	(317,999)	(667,957)	(818,559)	(340,948)	(321,925)	(463,755)
3,186,023	Gross Service Expenditure		3,282,054	4,924,324	4,912,495	5,092,293	5,046,317	5,090,740	5,115,910
(3,328,711)	Gross Service Income		(3,473,445)	(5,242,322)	(5,580,452)	(5,910,852)	(5,387,265)	(5,412,665)	(5,579,665)
(142,688)	Net Service Expenditure		(191,391)	(317,999)	(667,957)	(818,559)	(340,948)	(321,925)	(463,755)
88,804	Head of Resources		88,219	88,705	88,525	89,987	91,470	92,975	94,501
870,030	Finance		745,027	589,930	665,689	627,058	623,917	632,678	641,565
663,230	Audit & Risk Management		622,349	539,902	623,696	660,754	696,995	699,140	701,316
207,904	Legal		222,897	223,940	223,940	223,940	223,940	223,940	223,940
605,559	HR and Payroll Services		646,456	865,695	497,109	503,018	512,010	518,089	524,256
60,524	Procurement		59,954	30,868	25,534	26,236	26,945	27,664	28,391
(2,638,739)	Commercial Estates		(2,576,293)	(2,657,038)	(2,792,450)	(2,949,552)	(2,516,225)	(2,516,411)	(2,677,724)
(142,688)	Grand Total		(191,391)	(317,999)	(667,957)	(818,559)	(340,948)	(321,925)	(463,755)

Analysis of Budget Variations - Resources

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	(313,221)	(354,373)	(361,356)	(298,740)	(267,798)	(267,798)
Insurance to Operations	(4,778)	(4,778)	(4,778)	(4,778)	(4,778)	(4,778)
Adjusted Previous MTFS Totals	(317,999)	(359,151)	(366,134)	(303,518)	(272,576)	(272,576)
New Bids Added						
Internal Audit - Insurance Admin		6,000	6,000	6,000	6,000	6,000
Higher Insurance Premium Costs		91,000	94,000	94,000	94,000	94,000
NDR Vacant Properties		13,000	13,000	13,000	13,000	13,000
Repairs to Industrial Units		18,000	18,000	18,000	18,000	18,000
Caxton Road irrecoverable costs		2,000	2,000	2,000	2,000	2,000
Lower Consultants costs		(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Oaktree Car Park Development		0	0	0	0	(99,000)
Oaktree Lease Expiry		0	0	492,000	492,000	492,000
St Ives Redevelopment		0	0	0	0	(20,000)
Huntingdon Redevelopment		0	0	0	15,000	(31,000)
Alms Close		0	(85,000)	(85,000)	(85,000)	(85,000)
Commercial Estates Service		0	0	(81,000)	(83,000)	(85,000)
Resources Review		(29,000)	(40,000)	(52,000)	(52,000)	(52,000)
Apprenticeship Scheme (removal)		(299,000)	(299,000)	(299,000)	(299,000)	(299,000)
Debt Recovery		0	(37,000)	(37,000)	(37,000)	(37,000)
Commercial Investment Strategy		(101,100)	(111,300)	(92,100)	(111,300)	(111,300)
Internal Audit Shared Service		0	0	0	0	0
Adjustment to Inflation		(49)	(1,575)	(3,111)	(5,961)	8,733
Minor Budget Adjustments						
Misc. Salary , NI & Pension		(37,926)	(39,819)	(41,675)	(44,544)	(34,068)
Ground Rent		23,300	23,300	23,300	23,300	23,300
HR Operational Costs		10,375	10,375	10,375	10,375	10,375
Estates Additional Costs		4,006	4,006	4,006	4,006	4,006
Other Minor Adjustments		1,588	1,588	1,775	1,775	1,775
New MTFS Totals	(317,999)	(667,957)	(818,559)	(340,948)	(321,925)	(463,755)

Table 16

Directors & Corporate Team

Actuals 2017/18	Subjective Analysis : Controllable Only		2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£			£	£	£	£	£	£	£
(474,976)	Income & Fees	Fees & charges	(278,210)	(217,000)	(245,500)	(245,500)	(245,500)	(245,500)	(245,500)
(3,366)		Sales	(136)	0	0	0	0	0	0
(232,935)		Government grants	(7,016)	(20,000)	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)
(711,277)	Income & Fees Total		(285,361)	(237,000)	(262,500)	(262,500)	(262,500)	(262,500)	(262,500)
1,001,955	Employees	Salary	846,194	1,013,982	910,771	912,033	921,307	1,060,548	1,071,154
80,987		National Insurance	92,968	93,171	95,237	95,400	96,364	97,338	98,311
139,767		Pension	146,374	152,501	156,908	166,438	177,288	188,339	199,593
18,635		Hired Staff	13,010	22,300	22,300	22,300	22,300	22,300	22,300
6,848		Training	5,884	4,600	8,600	8,600	8,600	8,600	8,600
992		Other staff costs	197	0	0	0	0	0	0
2,051		Recruitment	0	0	0	0	0	0	0
1,251,235	Employees Total		1,104,627	1,286,554	1,193,816	1,204,771	1,225,859	1,377,125	1,399,958
44,603	Buildings	Rents	24,141	25,200	1,200	1,200	1,200	25,200	25,200
75		Repairs & Maintenance	260	0	0	0	0	0	0
44,678	Buildings Total		24,401	25,200	1,200	1,200	1,200	25,200	25,200
6,033	Supplies & Services	Catering	3,675	4,000	3,800	3,800	3,800	3,800	3,800
148,150		Communication and computing	75,708	126,463	67,463	67,463	67,463	110,463	110,463
34,654		Services	(59,892)	(158,333)	69,440	73,440	69,440	(171,833)	(171,833)
13,441		Equipment, furniture & materials	957	500	500	500	500	500	500
271,123		Office expenses	195,855	169,400	130,800	120,800	130,800	156,200	156,200
0		Insurance - service related	5,285	3,300	3,300	3,300	3,300	3,300	3,300
379,540		Members Allowances	376,742	404,864	402,364	402,364	402,364	402,364	402,364
852,942	Supplies & Services Total		598,330	550,194	677,667	671,667	677,667	504,794	504,794
11,813	Transport	Mileage Allowance	12,904	12,700	12,800	12,800	12,800	12,800	12,800
165		Pool Car	100	200	200	200	200	200	200
3,465		Public Transport	2,811	2,240	2,540	2,540	2,540	2,540	2,540
15,443	Transport Total		15,815	15,140	15,540	15,540	15,540	15,540	15,540
2,000	Benefit & Transfer Payments	Grants	2,000	2,000	0	0	0	0	0
2,000	Benefit & Transfer Payments Total		2,000	2,000	0	0	0	0	0
1,455,022	Grand Total		1,459,811	1,642,088	1,625,723	1,630,678	1,657,766	1,660,159	1,682,992

2,166,299	Gross Service Expenditure	1,745,172	1,879,088	1,888,223	1,893,178	1,920,266	1,922,659	1,945,492
(711,277)	Gross Service Income	(285,361)	(237,000)	(262,500)	(262,500)	(262,500)	(262,500)	(262,500)
1,455,022	Net Service Expenditure	1,459,811	1,642,088	1,625,723	1,630,678	1,657,766	1,660,159	1,682,992

715,266	Democratic & Elections	650,381	810,780	811,207	801,391	813,495	800,689	808,271
278,106	Corporate Team	303,867	339,256	318,853	325,060	331,357	337,744	344,056
461,651	Directors	505,562	492,052	495,663	504,227	512,914	521,726	530,665
1,455,022	Grand Total	1,459,811	1,642,088	1,625,723	1,630,678	1,657,766	1,660,159	1,682,992

Analysis of Budget Variations - Directors & Corporate Team

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	1,642,088	1,663,876	1,688,642	1,705,711	1,718,084	1,718,084
Services moved	0	0	0	0	0	0
Adjusted Previous MTFS Totals	1,642,088	1,663,876	1,688,642	1,705,711	1,718,084	1,718,084
New Bids Added						
<i>Transformation</i> - Member IT/Postage & Printing Savings		(10,000)	(20,000)	(10,000)	(20,000)	(20,000)
Democratic Services - Code of Conduct		5,000	5,000	5,000	5,000	5,000
Corporate Team Staff Savings		(15,000)	(25,000)	(25,000)	(25,000)	(25,000)
Civic Allowance Grant		(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Shared Service with Other Councils		(23,000)	(23,000)	(23,000)	(23,000)	(23,000)
Adjustment to Inflation		0	208	313	418	13,880
Minor Budget Adjustments						
Misc. Salary , NI & Pension		35,347	35,328	35,242	35,157	44,528
Charge to HDC Ventures		(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Other Minor Adjustments		(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
New MTFS Totals	1,642,088	1,625,723	1,630,678	1,657,766	1,660,159	1,682,992

Table 17

Head of Resources (Corporate Budgets)

Actuals 2017/18	Subjective Analysis : Controllable Only	2018/19 Forecast (August)	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
£		£	£	£	£	£	£	£
(29,098)	Income & Fees	(289)	0	0	0	0	0	0
(462,315)	Fees & charges	(469,499)	(456,500)	(532,500)	(532,500)	(532,500)	(532,500)	(532,500)
(23,180)	Interest	0	0	0	0	0	0	0
	Government grants	0	0	0	0	0	0	0
(514,593)	Income & Fees Total	(469,787)	(456,500)	(532,500)	(532,500)	(532,500)	(532,500)	(532,500)
921	Employees	0	0	(12,200)	(14,522)	(14,667)	(14,814)	(14,962)
1,585,050	National Insurance	0	0	(22,800)	(27,828)	(28,106)	(28,387)	(28,671)
0	Pension	1,584,000	1,584,000	1,584,000	1,599,840	1,615,838	1,631,996	1,648,316
268,196	Other staff costs	193,714	199,000	177,650	168,767	160,329	152,313	152,313
0	Severance Payments	0	0	(132,000)	(163,320)	(164,953)	(166,603)	(168,269)
0	Salary	0	0	0	0	0	0	0
1,854,167	Employees Total	1,777,714	1,783,000	1,594,650	1,562,937	1,568,441	1,574,505	1,588,727
2,577,122	Supplies & Services	2,840,672	2,922,086	3,288,162	3,322,338	3,556,211	3,647,594	4,064,963
0	Services	14	0	0	0	0	0	0
5	Equipment, furniture & materials	600	0	0	0	0	0	0
2,743	Office expenses	(675)	580	580	580	580	580	580
0	Insurance - service related	0	0	0	0	0	0	0
2,579,870	Supplies & Services Total	2,840,611	2,922,666	3,288,742	3,322,918	3,556,791	3,648,174	4,065,543
13	Transport	0	0	0	0	0	0	0
13	Pool Car	0	0	0	0	0	0	0
13	Transport Total	0	0	0	0	0	0	0
76,057	Benefit & Transfer Payments	76,000	76,000	76,000	76,000	76,000	76,000	76,000
4,056	Contributions paid	0	0	0	0	0	0	0
402,406	Irrecoverable V A T	403,065	402,278	407,868	407,868	407,868	407,868	407,868
0	Levies	0	0	39,000	39,000	0	0	0
0	Discretionary Relief	0	0	0	0	0	0	0
482,519	Benefit & Transfer Payments Total	479,065	478,278	522,868	522,868	483,868	483,868	483,868
25,265	Reserve-Revenue Transfers	25,000	20,000	30,000	30,000	30,000	30,000	30,000
25,265	Bad Debts Provision	0	0	0	0	0	0	0
25,265	Reserve-Revenue Transfers Total	25,000	20,000	30,000	30,000	30,000	30,000	30,000
4,427,242	Grand Total	4,652,603	4,747,444	4,903,760	4,906,223	5,106,600	5,204,047	5,635,638
4,941,835	Gross Service Expenditure	5,122,390	5,203,944	5,436,260	5,438,723	5,639,100	5,736,547	6,168,138
(514,593)	Gross Service Income	(469,787)	(456,500)	(532,500)	(532,500)	(532,500)	(532,500)	(532,500)
4,427,242	Net Service Expenditure	4,652,603	4,747,444	4,903,760	4,906,223	5,106,600	5,204,047	5,635,638
4,427,242	Corporate Finance	4,652,603	4,747,444	4,903,760	4,906,223	5,106,600	5,204,047	5,635,638
4,427,242	Grand Total	4,652,603	4,747,444	4,903,760	4,906,223	5,106,600	5,204,047	5,635,638

Analysis of Budget Variations - Resources (Corporate Budgets)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Previous MTFS Totals	4,747,444	5,048,038	5,097,777	5,111,712	4,959,313	4,959,313
Services moved	0	0	0	0	0	0
Adjusted Previous MTFS Totals	4,747,444	5,048,038	5,097,777	5,111,712	4,959,313	4,959,313
New Bids Added						
Minimum Revenue Provision changes		(18,000)	32,000	314,000	566,000	983,000
Service Restructuring		(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
NDR Hardship Relief Reimbursement		39,000	39,000	0	0	0
Pension Early Retirements		(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Bad Debt Provision		10,000	10,000	10,000	10,000	10,000
BFG, Income scheme from the loan		(66,000)	(66,000)	(66,000)	(66,000)	(66,000)
Interest Rate Changes		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<i>Transformation</i> - Customer Portal for HDC		29,000	(67,000)	(121,000)	(121,000)	(121,000)
Adjustment to Inflation		0	(1,670)	(3,726)	(5,804)	8,418
Minor Budget Adjustments						
Misc. Salary , NI & Pension		0	0	0	0	0
Bank Charges		8,000	8,000	8,000	8,000	8,000
IDB Levies		5,590	5,590	5,590	5,590	5,590
Other Minor Adjustments		132	526	24	(52)	317
New MTFS Totals	4,747,444	4,903,760	4,906,223	5,106,600	5,204,047	5,635,638

3.0 CAPITAL

- 3.1 The detailed Draft Capital Programme for the period 2019/20 to 2023/24 is shown in **Table 18** below, along with the sources of finance. The revenue implications of the individual capital proposals are built into the individual revenue budgets and the impact of the proposed programme on the 2019/20 Minimum Revenue Position (MRP) is £2.4m. In addition there is an MRP increase in 2020/21 of £0.1m as a result of the funding of the general 2019/20 Capital Programme. The MRP for the CIS programme is £1.9m.

Table 18

Capital Programme	Budget 2018/19 £000s	Medium Term Financial Strategy				
		2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
Gross Expenditure						
Community						
CCTV Camera Replacements	220					
CCTV Pathfinder House Resilience	20					
CCTV Wi-Fi	250					
Lone Worker Software	20					
Scanner		16				
Printing Equipment	176					
Environmental Health Software		40				
Development						
Alconbury Weald Remediation	980					
Disabled Facilities Grants	2,232	2,250	2,250	2,200	2,150	2,100
Huntingdon West Development	553					
A14 Upgrade		200	200	200	200	200
Housing Company		206				
Leisure and Health						
One Leisure St Neots Synthetic Pitch	390					
One Leisure Improvements	406	317	306	296	285	300
One Leisure Huntingdon Changing Facilities	9					
One Leisure Huntingdon Development	21					
One Leisure St Neots Pool	279					
One Leisure St Ives Burgess Hall	2					
One Leisure St Ives - New Fitness Offering	125					
One Leisure St Ives - New Fitness Offering (Rephase)		125				
One Leisure Ramsey 3G	334					
One Leisure Ramsey 3G (Rephase)		266				
One Leisure St Ives Swimming Changing Rooms		250				
One Leisure Impressions Equipment		531				
Resources						
Industrial Unit Roof Replacement	162					
Income Management Software		62				
Oak Tree Car Park Development			1,500	6,500		
Alms Close Development		1,022				
Huntingdon Redevelopment					8,000	8,095
St Ives Redevelopment					3,500	2,500
Financial Management System Replacement	46					
FMS Archive Solution	14					
Capita Upgrade	1					
Oak Tree Remedial Works		950				
Loan Facility to Huntingdon Town Council	800					
Investment in Trading Company	100					
Health and Safety Works on Commercial Properties	60					
Energy Efficiency Works at Commercial Properties	44	25	25	10	10	
VAT Partial Exemption	241	59	24	21	21	18
Customer Services						
E-forms						
Pathfinder House Reception DWP						
3C ICT						
Flexible Working - 3CSS	65					
Telephones - 3CSS						
Robotics		50				
ICT Transformation	520					

Operations						
Hinchingbrooke Country Park Wooden Bridge	55					
Fencing		10	12	13	13	13
Building Efficiencies - Salix	38					
Building Efficiencies - Salix (Rephase)		19				
Wheeled Bins	240	236	238	254	254	254
Vehicle Fleet Replacement	1,012	35	2,358	1,131	1,027	1,518
Play Equipment	40	35	53	30	30	30
Re-Fit Buildings	455					
Re-Fit Buildings (Rephase)		37				
Parking Strategy		315	37	80		
Bridge Place Car Park Godmanchester	27	107				
Bridge Place Car Park Godmanchester (Rephase)		277				
Operations Back Office	112					
Operations Back Office (Rephase)		253				
Pathfinder House Reception	139					
Transformation						
Customer Relationship Management	80					
Total Gross Expenditure	10,268	7,693	7,003	10,735	15,490	15,028

Capital Programme	Budget	Medium Term Financial Strategy				
	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
Financing						
Grants and Contributions						
DFGs	(1,248)	(1,150)	(1,200)	(1,200)	(1,200)	(1,200)
Pathfinder House Reception	(256)					
Wheeled Bins	(120)	(92)	(93)	(101)	(101)	(101)
Health and Safety Works on Commercial Properties	(20)					
Play Equipment	(14)					
One Leisure Huntingdon Changing Rooms	(9)					
Synthetic Pitch	(274)	(116)				
One Leisure 3G Ramsey	(184)					
Back Office Reserve	(112)	(117)				
Total Grants and Contributions	(2,237)	(1,475)	(1,293)	(1,301)	(1,301)	(1,301)
Use of Capital Reserves						
Alconbury Remediation Works Reserve	(979)					
Community Infrastructure Levy Reserve	(553)					
Total Capital Reserves	(1,532)	0	0	0	0	0
Capital Receipts						
Bridge Place Sale	(14)	(384)				
Loan Repayments	(320)	(320)	(320)	(320)	(320)	(320)
Housing Clawback Receipts	(500)	(500)	(450)	(400)	(400)	(400)
Total Capital Receipts	(834)	(1,204)	(770)	(720)	(720)	(720)
Use of Earmarked Reserves						
Financial Management System Replacement	(46)					
Capital Grant to Huntingdon Town Council						
Investment in Trading Company	(100)					
ICT Transformation	(520)					
FMS Archive	(14)					
To Earmarked Reserves	(680)	0	0	0	0	0
Net to be funded by borrowing (Internal)	4,985	5,014	4,940	8,714	13,469	13,007

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

4.0 TREASURY MANAGEMENT

4.1 The following gives a high level commentary on the Treasury Management activity that the Council is expecting to undertake during 2019/20.

- **Short Term Borrowing**

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

- **Long Term Borrowing**

The Treasury Management Strategy permits the Council to borrow for the long-term to maintain effective working capital balances and to support back-to-back lending to external organisations. At the end of 2019/20, it is forecast that the total balances in respect of long-term borrowing will be £20.4m. The estimated cost of long term borrowing in 2019/20 is £0.61m.

4.2 During 2019/20 further long-term borrowing will occur to finance the Commercial Investment Strategy. Borrowing of up to £30m is estimated, with an estimated cost of £1.9k in 2019/20 this is based on repayments for an annuity type loan and as a result will vary each year.

5.0 Capital Financing Requirement (CFR)

5.1 **Table 19** gives a summary of how, over the period of the MTFs, the Council's capital commitments and plans impact on its underlying need to borrow. **Tables 20** and **21** provide a more detailed breakdown of the CFR between the Council's mainstream Capital programme and the Capital Investment Strategy (CIS) respectively.

Table 19

Capital Financing Requirement - Total	Budget 2018/19 £000s	Medium Term Financial Strategy				
		2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
Opening Capital Financing Requirement	46,647	74,090	73,296	73,871	77,931	86,655
Closing Capital Financing Requirement	74,090	73,296	73,871	77,931	86,655	94,500
Increase/(Decrease) in Underlying Need to Borrow	27,443	(794)	574	4,060	8,724	7,845

Table 20

Capital Financing Requirement - General Capital Programme	Budget 2018/19 £000s	Medium Term Financial Strategy				
		2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
Opening Capital Financing Requirement	41,637	44,574	47,166	49,637	55,593	66,213
Capital Investment						
Property, Plant and Equipment	4,999	2,635	3,028	1,825	1,630	2,133
Investment Properties	266	1,997	1,525	6,510	11,510	10,595
Intangible Assets	338	405	0	0	0	0
Revenue Expenditure Funded From Capital Under Statute	2,785	2,450	2,450	2,400	2,350	2,300
Repayable Advances	1,880	206	0	0	0	0
Additional Requirement	10,268	7,693	7,003	10,735	15,490	15,028
Sources of Finance						
Capital Receipts	(834)	(1,204)	(770)	(720)	(720)	(720)
Capital Grants and Contributions	(2,237)	(1,475)	(1,293)	(1,301)	(1,301)	(1,301)
Use of Capital Grants Unapplied	(1,532)	0	0	0	0	0
Direct Revenue Financing	(680)	0	0	0	0	0
Minimum Revenue Provision	(2,048)	(2,422)	(2,470)	(2,758)	(2,849)	(3,266)
	(7,331)	(5,101)	(4,533)	(4,779)	(4,870)	(5,287)
Closing Capital Financing Requirement	44,574	47,166	49,637	55,593	66,213	75,954
Increase/(Decrease) in Underlying Need to Borrow	2,937	2,592	2,470	5,956	10,620	9,741

Table 21

Capital Financing Requirement - Commercial Investment Strategy	Budget	Medium Term Financial Strategy				
	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
Opening Capital Financing Requirement	5,010	29,516	26,130	24,234	22,338	20,442
Capital Investment						
Investments	30,000					
Additional Requirement	30,000	0	0	0	0	0
Sources of Finance						
Capital Investment Earmarked Reserve	(3,598)	(1,490)				
Minimum Revenue Provision	(1,896)	(1,896)	(1,896)	(1,896)	(1,896)	(1,896)
	(5,494)	(3,386)	(1,896)	(1,896)	(1,896)	(1,896)
Closing Capital Financing Requirement	29,516	26,130	24,234	22,338	20,442	18,546
Increase/(Decrease) in Underlying Need to Borrow	24,506	(3,386)	(1,896)	(1,896)	(1,896)	(1,896)

6.0 Formal 2019/20 Council Tax Resolutions

6.1 The formal 2019/20 Council Tax resolutions to be agreed by Council are shown below.

- a) That the Council note the Council Tax Base for the whole Council area and individual Towns and Parishes (para 6.2) as approved by Cabinet on the 3 December 2018 (and subsequent publication as a key decision).
The tax base (T) which is the amount anticipated from a District Council Tax of £1 is **£61,749**
- b) That the following amounts calculated by the Council for 2019/20 in accordance with the requirements of the Local Government Finance Act 1992 as amended by the Localism Act 2011 (the Act), the Local Government Finance Act 2012 and associated regulations :-
- (i) the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act **£75,971,155**
Gross revenue expenditure including benefits, Town/Parish Precepts
- (ii) the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act **£61,245,848**
Revenue income including reimbursement of benefits, specific and general grants, use of reserves and any transfers from the collection fund.
- (iii) the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above in accordance with Section 31A (4) of the Act **£ 14,725,307**
This is the "Council Tax Requirement" including Parish/Town Precepts (item i minus item ii). It is the cash sum to be funded from District, Town and Parish Council Taxes.
- (iv) the Council Tax requirement for 2019/20 divided by the tax base (T) in accordance with Section 31B (1) of the Act **£238.47**
District plus average Town/Parish Council Tax (item iii divided by District taxbase)
- (v) the aggregate of all "Special Items" referred to in Section 34(1) of the Act. **£5,946,820**
The total value of Parish/Town precepts included in i and iii above.
- (vi) the Basic Amount of Council Tax for 2019/20 being item iv less item v divided by the tax base (T) in accordance with Section 34 (2) of the Act. **£142.16**
The District Council's Band D Tax for 2019/20

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

6.2 Tax Base 2019/20

Based on the information contained within this report, it is recommended that pursuant to the Local Taxation Manager's report and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amounts calculated by the Huntingdonshire District Council as their (net) tax base for the whole District for the year 2019/20 be 61,749 and shall be as listed below for each Town or Parish of the District:

Abbotsley	261
Abbots Ripton	136
Alconbury	561
Alconbury Weston	292
Alwalton	115
Barham & Woolley	30
Bluntisham	735
Brampton	2,075
Brington & Molesworth	167
Broughton	92
Buckden (inc Diddington)	1,176
Buckworth	53
Bury	628
Bythorn & Keyston	145
Catworth	152
Chesterton	60
Colne	362
Conington	72
Covington	45
Denton & Caldecote	26
Earith	586
Easton	82
Ellington	237
Elton	288
Farcet	527
Fenstanton	1,229
Folksworth & Washingley	350
Glatton	131
Godmanchester	2,661
Grafham	238
Great & Little Gidding	127
Great Gransden	449
Great Paxton	366
Great Staughton	328
Haddon	24
Hail Weston	247
Hamerton & Steeple Gidding	51
Hemingford Abbots	330
Hemingford Grey	1,280
Hilton	455
Holme	237
Holywell-cum-Needingworth	979
Houghton & Wyton	777
Huntingdon	7,510
Kimbolton & Stonely	597
Kings Ripton	84
Leighton Bromswold	79
Little Paxton	1,553

Morborne	11
Offord Cluny & Offord D'Arcy	534
Old Hurst	101
Old Weston	98
Perry	268
Pidley-cum-Fenton	172
Ramsey	2,843
St Ives	5,985
St Neots	10,980
Sawtry	1,879
Sibson-cum-Stibbington	225
Somersham	1,397
Southoe & Midloe	154
Spaldwick	251
Stilton	773
Stow Longa	70
The Stukeleys	654
Tilbrook	123
Toseland	38
Upton & Coppingford	84
Upwood & The Raveleys	433
Warboys	1,470
Waresley-cum-Tetworth	143
Water Newton	45
Winwick	46
Wistow	227
Woodhurst	157
Woodwalton	82
Wyton-on-the-Hill	422
Yaxley	2,947
Yelling	152
	61,749

6.3 2019/20 Council Tax by Property Band for each Precepting Authority and the Billing Authority

This table will be completed after the Council's Full Council meeting scheduled for the 27 February when the Council receives the precepts from Cambridgeshire County Council, Fire and Police Authorities.

6.4 Total 2019/20 Council Tax by Property Band for each Precepting Authority and the Billing Authority

This table will be completed after the Council's Full Council meeting scheduled for the 27 February when the Council receives the precepts from Cambridgeshire County Council, Fire and Police Authorities.

7. Fees and Charges

- 7.1 The Fees and Charges that will be applicable from April 2019 to March 2020 have been included in **Annex A**. These fees and charges are correct at the time of reporting but there may be changes throughout the year that will be agreed by the Executive Councillor and the S151 Officer.

8.0 Robustness of the 2019/20 Budget and Medium Term Financial Strategy

- 8.1 The Section 25 of Local Government Act 2003 requires me, as the Council's Responsible Financial Officer, to report on the robustness of the 2019/20 budget and the adequacy of reserves to assist you in making your decisions on the Budget and the level of Council Tax. Further, this is an opportunity for me to provide some commentary in respect of the period covered by the Medium Term Financial Strategy (MTFS).

8.2 Robustness and Budget Setting

- 8.2.1 At the time of writing, the 2018/19 Quarter 3 Integrated Performance Report is reporting a forecast overspend of £343k in respect of service expenditure. This is the second overspend that the Council has had in as many years. The overspend has reduced since the last quarter as a consequence of increase income. However, the main reasons for the overspend still centre around Operations and Leisure & Health and is due to the changing business of the Council and the market that the Council operates in.

- 8.2.2 As in previous years, the Council has reviewed its service expenditure; however, this time Executive Councillors have led the budget setting process. In liaison with the Senior Management Team, savings and growth proposals (£1.9m and £1.7m respectively) have been developed by officers and Executive Councillors have reviewed and individually agreed each proposal. As ever, the Finance Team has provided the central support to services and the whole process has been overseen by the Head of Resources (S151 officer).

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

- continues to embed the Transformation programme (MOSAIC) into the core business of the Council. This includes the development of work-stream reviews, supported by an ongoing continuous improvement process that follows Lean principles, service Huddles, commercialisation through new ways of working, the development of a wholly owned company that will permit the Council to operate in a more private sector 'for profit' environment, and further expansion of the Commercial Investment Strategy,
- developed funding proposals that help to mitigate the current uncertainty relating to Fair Funding and the other 'known' impacts of the current Strategic Spending Review, and
- the Executive has chosen to increase Council Tax by 2.6% (£3.60 for a Band D equivalent property).

8.3 Challenges Facing the Council

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

Public Sector Austerity – Cuts in grant funding

8.3.2 For the past few years, the public sector has, as a whole, been facing the most significant austerity programme in a generation and as a consequence of the government's ring-fencing of some government departments/services (i.e. NHS, Overseas Aid etc.); this has meant that local government has met a significant share of the austerity programme. More recently, independent insights into future government funding propositions are clearly showing a direction of travel that indicates an even more challenging financial environment. However, as discussed in previous financial performance reports, the Council continues to take proactive action to effectively manage the financial consequences of austerity.

8.3.3 Following the 2019/20 provisional settlement announced in December 2018, **Table 22** clearly shows that the grant funding streams for the Councils MTFS for 2019/20 and for the period up to 2023/24 has moved when compared to the preceding year. For:

- 2019/20 the total grant included in last year's MTFS was £10.4m; following the provisional settlement this has now increased to £10.7m; a increase of £314k (3%). This is mainly due to an increase in NDR of £949k and a reduction in NHB of £635k.
- 2020/21 the total grant in last year's MTFS was £10.3m, this has now decreased to £8.3m; this reflects a decrease of £2m. However, this reflects a reduction in s.31 grant of £150k, a prudent estimate of the impact of Fair Funding of £650k and a reduction in NHB of £1.2m.
- 2021/22 onwards the Councils net grants position continues to decline until 2023/24 when it will be £1.1m less than 2021/22.

Between 2019/20 and 2023/24, the net reduction in grant is £3.4m (32%).

Table 22

	Comparison of Grant Assumptions: 2018/19 Budget & 2019/20 Budget and MTFS (2020/21 to 2023/24)					
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
2018/19 Budget & MTFS						
NDR	5,841	5,958	6,077	6,199	6,323	
S31	1,729	1,729	1,729	1,729	1,729	
RSG	604	0	(150)	(304)	(397)	
FFR Adjust	0	0	0	0	0	
NHB	2,718	2,673	2,673	2,673	2,673	
Total	10,892	10,360	10,329	10,297	10,328	
2019/20 Budget & MTFS						
NDR		6,907	6,077	6,199	6,323	6,449
S31		1,729	1,579	1,579	1,579	1,579
RSG		0	(150)	(150)	(150)	(150)
FFR Adjust		0	(650)	(650)	(650)	(650)
NHB		2,038	1,474	881	427	0
Total		10,674	8,330	7,859	7,529	7,228
Variance between Grant Assumptions						
NDR	0	949	0	0	0	
S31	0	0	(150)	(150)	(150)	
RSG	0	0	0	154	247	
FFR Adjust	0	0	(650)	(650)	(650)	
NHB	0	(635)	(1,199)	(1,792)	(2,246)	
Total	0	314	(1,999)	(2,438)	(2,799)	
	%	%	%	%	%	
NDR	0.0	15.9	0.0	0.0	0.0	
S31	0.0	0.0	-8.7	-8.7	-8.7	
RSG	0.0	0.0	-100.0	-100.0	-100.0	
FFR Adjust	0.0	0.0	-100.0	-100.0	-100.0	
NHB	0.0	-23.8	-44.9	-67.0	-84.0	
Total	0.0	3.0	-19.4	-23.7	-27.1	

Programme of Service Review

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

8.4 Governance

- 8.4.1 Noted within the 2017/18 Annual Governance Statement (AGS) both the Executive Leader and the Managing Director consider that:

“After conducting a review of the governance arrangements across the Council and overall compliance with the Council’s Code of Corporate Governance, we are satisfied that the arrangements are effective.

Over the course of the year it has become clear there are a number of overarching issues that are regularly informing and influencing the budget, performance and service delivery discussions at both Member and Officer level (e.g. homelessness/working with partners to keep people in their own home/service transformation).

The National Audit Office amongst other Local Government organisations are increasingly identifying these challenges as the issues that are likely to exert pressure on how the Council operates and how its finances are deployed during the period of the medium term financial

strategy. These issues will also impact upon Corporate Plan objectives and shape its future direction.

Traditionally this statement has contained matters for which the Council itself was wholly responsible. In a climate of increasing partnership and public service reform, it is felt that this approach does not address the risks that are of greatest potential impact to the authority and the achievement of its objectives. The statement reflects a more strategic outlook in considering matters that could severely impair the Council's financial position and, therefore, its ability to function (or indeed identifying new opportunities to be realised). Consequently this statement details five themes that will be required to be addressed across the forthcoming financial years."

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

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

8.4.2 In June 2018, the Council's Internal Audit and Risk Manager reported to the Corporate Governance Committee that the assurance given for the year to 31 March 2018 was:

".....the Council's internal control environment and systems of internal control as at 31 March 2018 provide adequate assurance over key business processes and financial systems".

8.5 Risks

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

Mitigation of Unforeseen Events

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

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

- first call for funding will be from compensating savings from elsewhere within the service, and if none are possible then savings from the wider Councils budget (service first, wider Council thereafter),
- second call for funding will be general service reductions. Such an approach will inevitably have an impact on service delivery,
- and finally, the use of General Fund reserves would be considered.

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

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

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

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

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

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

Risk Modelling

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

- Under achievement of savings.
- higher inflation.

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

8.5.6 Taking each of the above in turn:

- **Underachievement of Savings & Additional Income**

The savings included within the budget total £1.9m. These savings cover a broad range of services; however as ever with savings they are dependent on market, management and political conditions prevailing at the time. It is therefore prudent to assume that some of these savings may not be achieved; a fair assumption is a 30% underachievement which equates to £582k.

- **Inflation**

With regard to:

- **Pay**
The budget for 2019/20 includes an “across the board” pay increase of 1%. Taking into account employer oncosts (national insurance and pension), this equates to a total cost of £23m; a further 1% for sensitivity equates to £233k.
- **On-Boarding of Variable Hours Staff**
A risk remains whereby variable hours Council staff should be fully contracted staff. Some staff may elect to remain on zero-hours contracts whereas others may wish to be formally contracted. This risk is not built into the budget as the amount to be included is not known; however, for sensitivity purposes the total estimated cost of all staff reverting to a contracted hour’s contract is modelled, this would be £300k.
- **Business Rates (those payable by HDC)**
The budget for 2019/20 includes a Business Rates budget of £1.2m. Considering the changing occupancy of the Council’s property due to external partners leasing its premises, there is the possibility that there could be rating implications for different parts of the Councils buildings. However, a marginal 5% change has been anticipated which has a sensitivity impact of £60k.
- **General Inflation**
No general inflation has been included in the 2019/20 budget except where there are contractual price increases; although for the Council this is minimal as most services are “contracted in”.
- **Borrowing**
The budget for 2019/20 assuming a borrowing cost of £53k (for non-CIS borrowing) based on a rate of between 3.4% and 4.4%. If this rate increased by 0.25% the cost

of borrow would increase proportionally, for sensitivity purposes a 75% impact is modelled which equates to £40k.

- **Reduced income: Fees and Charges**

Total fees and charges are £17.9m, therefore, for sensitivity analysis a 2% loss of income from fees and charges would amount to £358k. The largest income streams that are susceptible to variation include:

- Car Parks, £2.6m (Off-Street).
- Leisure Centres, £7.4m
- Commercial Estate, £5.6m
- Planning Fees, £1.7m

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

Total forecast CIS income is £5.6m; considering the reduced acquisition rate that has been encountered during 2018/19, for sensitivity analysis purposes if there was a 25% loss of income from rental income this would equate to £1.4m.

- **Reduced income: New Homes Bonus**

For 2019/20 the Council's NHB is £2.0m; it is expected that in due course the government will announce some significant changes to the scheme. The Council has modelled that by 2023/24 the Council will no longer receive such funding. However, for sensitivity purposes the Council is including a 10% reduction in NHB, reflecting £204k.

- **Government Grant: Non Domestic Rates**

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

Prior to 2017/18, it had been established that the government's assessment of growth for the District was somewhat optimistic when compared to actual growth. Similar to last year, for 2019/20 the Council has taken a more prudent line by formulating its own assessment for NDR receipts (£5.9m) and only increased thereafter by 2% per annum. Directly linked to NDR are S.31 grants, this is government grant that compensates local government for it being required to exceed the minimum statutory regulations for certain thresholds as a consequence of government priorities (i.e. increasing the 'small business relief' limit above that required by law). The assessed S.31 receipts for 2019/20 are £1.7m.

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

can take many years to conclude). In respect of:

- NDR, the gap between the estimated income (£5.9m) and the safety net (£4.1m) is £1.8m; 10% sensitivity reduction will be applied giving £180k.
- S.31, a 5% sensitivity reduction will be applied giving £86k.

As noted in **Table 4** (paragraph 1.2.7), the Council's share of the NDR surplus in respect of Business Rates is £989k, a 15% sensitivity will be applied giving £148k.

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

- **Failure of a Borrower**

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

The main "borrowing" risk rests whether the lending is either on a short or long term basis. The £5.0m limit is restricted to bodies with a credit rating of F1+ or Building Societies with more than £2 billion in assets. The impact of a "failure of borrower" will be the loss of revenue cash flow and the potential costs involved of "making good" the lost investment. There are however, good governance arrangements around the Council's Treasury activity and therefore the likelihood of loss is minimal. However, with Brexit drawing closer and the financial impacts still being relatively unknown, it would be prudent to include some sensitivity in respect of cash flow. Therefore, the average amount lent to an institution at any given time is around £4.0m; if this amount was lost and the Council had to borrow from the PWLB, at current rates this would amount to a cost of £85k. This block amount is included in the sensitivity analysis.

- **Emergency**

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

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

- **Estate property enhancement/development**

With the Council increasing its CIS Estate and the ‘aging’ of its current Operational Estate, it is fair to include a risk in respect of future property enhancement. For sensitivity modelling purposes, the currently estimated cost of enhancement is £155k, for sensitivity purposes if 80% of this was required this would give a cost of £124k.

- **Increased demands on services**

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

With regard to homelessness, the budget for 2019/20 is £1.3m and for Council Tax Support is £6.6m; if there was a 10% increase in demand for each this would require an additional £795k (£130k and £665k respectively). In addition, ICT has identified savings totalling £2.1m, if say 7% of this was not achieved this would amount to £150k.

- **Council Tax**

The Council has chosen to increase Council Tax for a third year; this is a prudent step as it helps to maintain the financial foundation of the Council and awards it opportunities for future investment. The Council has chosen to increase by 2.6% (£3.60) which it views as an amount that is affordable to its residents (and discussed in detail in the Draft Budget Report that went to Cabinet in January). An increase of 2.6% represents around £222k, as this is a marginal increase no further sensitivity has been undertaken. It should be noted that the Council could have chosen to have increased by the higher of either 3% or £5.

Sensitivity for 2019/20 Budget

8.5.7 Considering the risks noted above and the stated budget assumptions, the accumulated total cash risk is £5m. However, it is highly unlikely that all these risks will occur at the same time, so it is fair to apply “sensitivity” to each risk and then model the likelihood of occurrence. **Table 23** shows this detailed analysis and in summary the additional pressure within 2019/20, based on the likelihood of occurrence, is as follows:

- Pessimistic view, additional pressure of: £2.2m
- Middle-View, additional pressure of: £1.7m
- Optimistic View, additional pressure of: £1.2m

Table 23

Table 23		Sensitivity of Risks to 2019/20 Budget & Funding Options										
Risk		Costs Included in 2019/20 budget £000	Sensitivity Impact		Likelihood of Occurrence							
			+/-	Cost £000	Pessimistic		Middle-Way		Optimistic			
					Factor	£000	Factor	£000	Factor	£000		
Underachievement of Savings & Additional Income		1,941	Savings not achieved	30%	582	0.7	407	0.2	116	0.1	58	
Inflation	Pay	23,258	Pay increase from 1% to 2%	1%	233	0.6	140	0.3	70	0.1	23	
	On-Boarding of Variable Staff	300	Estimated cost of zero-hours staff moving to contracted hours	100%	300	0.6	180	0.2	60	0.2	60	
	Business rates (HDC payable)	1,197	Business Rates vary due to change in liability etc	5%	60	0.2	12	0.3	18	0.5	30	
	Investment/Borrowing Costs	53	Difference between Borrowing increased from 3.4% to 4.4%	75%	40	0.2	8	0.5	20	0.3	12	
Reduced Income	Fees & Charges	(17,894)	Reduction in income.	2%	358	0.3	107	0.4	143	0.3	107	
	CIS Income	(5,580)	Reduction in income.	25%	1,395	0.3	419	0.4	558	0.3	419	
	New Homes Bonus	(2,038)	Reduction in NHB following change to "needs" system and consequential redistribution.	10%	204	0.3	61	0.4	82	0.3	61	
Government Grant	NDR - Difference between Safety Net and Budgeted Receipts	(1,800)	Reduced NDR receipts.	10%	180	0.6	108	0.3	54	0.1	18	
	S.31 Grant	(1,729)	Not all grant received.	5%	86	0.6	52	0.3	26	0.1	9	
	Collection Fund Surplus	(989)	Collection Fund Surplus not as significant as forecast.	15%	148	0.6	89	0.3	44	0.1	15	
Failure of Borrower		85	Cost of borrowing from PWLB if Council lost £4m (average amount lent to a borrower)	100%	85	0.2	17	0.5	43	0.3	26	
Emergency		500	Immediate use of funds in the event of a local emergency	50%	250	0.2	50	0.5	125	0.3	75	
Maintenance	Property Maintenance and Enhancement	155	Estate property enhancement/development	80%	124	0.8	99	0.1	12	0.1	12	
Increased Demand of Services	Homelessness	1,296	Increase in demand	10%	130	0.4	52	0.5	65	0.1	13	
	ICT	2,145	Additional service requirement	7%	150	0.8	120	0.1	15	0.1	15	
	Council Tax Support	6,645	Increase in demand	10%	665	0.4	266	0.3	200	0.3	200	
Total Sensitivity					4,990		2,187		1,651		1,153	
OVERALL TEST FOR BUDGETARY RISK												
Estimated General Fund (Unallocated) Reserve at 31 March 2020								2,573		2,573		2,573
Budget Surplus Reserve at 31 March 2020								3,820		3,820		3,820
Total Estimated Reserves at 31 March 2020 (*)								6,393		6,393		6,393
Conclusion of Sensitivity i.e. Estimated Reserves less Sensitivity												
- Upon comparing 'Total Sensitivity' to Total Estimated Reserves, do Reserves remain positive? (*)								Yes		Yes		Yes
- Upon comparing 'Total Sensitivity' to the Minimum Level of General Fund (Unallocated) Reserves (15% of Net Expenditure), does Reserve Remain Positive								Yes		Yes		Yes
- If 'Total Sensitivity' Risk occurred, what would be the reduction in General Fund (Unallocated) Reserves								85.0%		64.2%		44.8%
* Note: HDC has set a minimum level of General Fund (unallocated) Reserves of 15%. However, in a 'crisis' situation the Council has immediately available, as well as the General Fund, the Budget Surplus Reserve. Therefore, for this 'Sensitivity Exercise' both Reserves will be considered.												

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

8.6 Revenue Reserves

Reserves for 2019/20 and the MTFS Period (2020/21 to 2023/24)

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

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

8.6.3 However, to ensure the adequacy of the Councils Reserves (i.e. their robustness) it is essential to determine if the Councils revenue reserves are sufficient to meet the assessed risks (8.5.7). To determine this, a two stage comparison will be undertaken in that the “likelihood of occurrence” of a risk will be compared to two sets of reserves. The detailed analysis is shown in **Table 24** and relevant commentary is shown below.

Stage 1 – The Primary Test of Financial Resilience

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

As shown in **Table 24**, both reserves can meet the assessed risks until 2021/22; thereafter the minimum level of reserves threshold is breached.

Stage 2 – The Secondary Test of Financial Resilience

The Stage 2 assessment is a ‘complete’ test, in that it also brings into the assessment the Commercial Investment Reserve. This clearly shows that the Council would have sufficient resources to meet the modelled risks but this does mean that the Council would not be able to invest all the Commercial Investment Reserve as planned and therefore it would negate future income streams that would have supported ongoing service delivery obligations. However, it is highly unlikely that the Stage 2 scenario would occur as management would significantly intervened before the Council got anywhere near to this position.

Table 24

Table 24		Impact of 2019/20 Sensitivity of Risks on the MTF5 General Fund Reserves Profile														
General Fund Reserve and Budget Surplus Reserve		2019/20 £000			2020/21 £000			2021/22 £000			2022/23 £000			2023/24 £000		
General Fund Reserve c/f		2,573			2,505			2,702			2,726			2,795		
Budget Surplus Reserve c/f		3,820			3,164			1,408			155			1		
Minimum Level of Reserves (*)		6,393			5,669			4,110			2,881			2,796		
		2,573			2,505			2,702			2,726			2,795		
		Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic
Reduction in Reserves (in year)		2,187	1,651	1,153	2,187	1,651	1,153	2,187	1,651	1,153	2,187	1,651	1,153	2,187	1,651	1,153
Estimated Reserves c/f		4,206	4,742	5,240	3,482	4,018	4,516	1,923	2,459	2,957	694	1,230	1,728	609	1,145	1,643
- Do Reserves remain above Minimum Level of Reserves		Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	No
General Fund Reserve, Budget Surplus Reserve and Commercial Investment Reserve		2018/19 £'000			2019/20 £'000			2020/21 £'000			2021/22 £'000			2022/23 £'000		
General Fund Reserve c/f		2,573			2,505			2,702			2,726			2,795		
Budget Surplus Reserve c/f		3,820			3,164			1,408			155			1		
Commercial Investment Reserve c/f		7,037			8,511			9,392			9,819			8,724		
Minimum Level of Reserves (*)		13,430			14,180			13,502			12,700			11,520		
		2,573			2,505			2,702			2,726			2,795		
		Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic
Reduction in Reserves (in year)		2,187	1,651	1,153	2,187	1,651	1,153	2,187	1,651	1,153	2,187	1,651	1,153	2,187	1,651	1,153
Estimated Reserves c/f		11,243	11,779	12,277	11,993	12,529	13,027	11,315	11,851	12,349	10,513	11,049	11,547	9,333	9,869	10,367
- Do Reserves remain above Minimum Level of Reserves		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

8.6.4 Consequently, it is fair to say that:

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

8.6.5 However, to remove reliance on the use of reserves the Council will be required to find further savings or generate additional income equivalent to 6% of its net expenditure – as summarised in **Table 25** below and shown on the “Plan on a Page” at **Appendix 3**.

Table 25

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Plan on a Page - Approved MTFS 2019/20 - 2022/23				
Approved MTFS Net Expenditure	16,699	18,010	18,172	18,631
Plan on a Page - new savings required from MTFS	(724)	(1,559)	(1,229)	(1,180)
Plan on a Page - % savings required from MTFS	-4%	-9%	-7%	-6%
Budget Requirement (adjusted for savings required)	15,975	16,451	16,943	17,451

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

8.7 Conclusion

- **2019/20 Budget**

Considering all the factors noted within the “Robustness” statement in respect of 2019/20, I consider that the combination of the:

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

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

- **Medium Term Financial Strategy (2020/21 to 2023/24)**

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

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

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

Clive Mason FCPFA
Responsible Financial Officer (Section 151)

ADDENDUM TO S.25 STATEMENT

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued a “Financial Resilience Index” (the index) and it has recommended that S.151 officers should refer to the index when they make comment within their S.25 statements. However, as the index is a ‘beta-version’ (draft) CIPFA has elected that the index must not be made public.

Upon reviewing the draft index, 7 of the 10 are in respect of reserves; especially how a council’s reserves have moved over the past three financial years. For Huntingdonshire, this shows an unfavourable result because over the period the council has chosen to use its reserves to generate a sustainable, medium term income stream.

Initial conclusions on draft index

With this index concentrating its view on the use of reserves, I consider this is a very narrow view and have consequently robustly challenged ‘its worth’ with CIPFA; other senior officers have similarly challenged with the Local Government Association.

RFO reflection on index

As CIPFA requires me to reflect on the index, my commentary is as follows:

The index shows a skewed view of the Councils ‘Financial Resilience’ because the council has made sound decisions on how it wants to use its reserves; further it has in place robust financial and performance management process and practices that ensure that it has good financial and performance governance. Some detailed commentary is shown below:

- The primary reason that the Council has reduced its General Fund (Unallocated) Reserves from £9.3m at the end of March 2015 to £2.5m at the end of March 2016 was to release funds to enable it to invest in Commercial Property. When the council was holding £9.3m in its General Fund (Unallocated) Reserve, it would have been investing these funds at less than 1%; this would have generated an optimistic annual income of approximately £93k. However, by releasing the £6.8m it has been able to invest in commercial assets which are generating a return of well above 5%

e.g. the Shawlands Retail Park, one of 5 commercial investments acquired since early 2016, cost the council £6.5m and is currently generating a return of 7.1%, £465k per annum – significantly more than would have been generated if the funds had been left in the bank. ***This is good Treasury Management.***

- Since the Council reduced its General Fund (Unallocated) Reserve, it has proactively monitored the Reserve to ensure that it is maintained at the currently agreed minimum threshold of 15% of Net Expenditure; this threshold has never been breached. ***This is good Financial Management.***
- Along with the General Fund (Unallocated) Reserve, the Council also maintains the Budget Surplus Reserves (used to meet the ‘peaks and troughs’ of service budgetary performance) and the Commercial Investment Reserve (ring-fenced funds to invest in commercial property, thereby securing long term sustainable income). In addition, the Council maintains a series of Earmarked Reserves to meet a number of organisational, political and transformational risks. ***This is good Risk Management and is Financially Prudent.***
- The Council has invested in a wide range of soft and hard assets and continues to invest in its workforce. Further, the council has in placed a Transformation and Commercialisation programme that will fundamentally change the councils ‘ways of working’ and how it will work with its broad range of customers. All supported by good financial, service and corporate plans that, in detail, provide the guidance to achieve corporate and political objectives. ***This is good Organisational and Financial Planning.***
- The Council has good processes and practices in place to identify its strategic and tactical risks, financial and operational performance; including reporting to respective stakeholders. These include, but not limited to, the Budget Report, Annual Financial Report, Annual Governance Statement, Integrated Performance Report. In addition, the council has a robust Internal Audit service that is operationally independent. ***This is good Financial and Performance Management.***

Over and above, the Council’s external auditors have consistently given the Council an unqualified opinion on both the Statement of Accounts and Value for Money.

RFO conclusion

In conclusion, I consider CIPFA’s Index is too simplistic a tool to enable a constructive commentary on the financial strength and resilience of the Council. The Council has used its surplus reserves effectively to maximise the long term benefits to the Council, in addition it has strong processes and practices in place to ensure good financial resilience which have been consistently endorsed by the Council’s external auditor.

