



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

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

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

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

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

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

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

* Reported to Cabinet January 2020.

- **Growth**

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

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

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

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

* Reported to Cabinet January 2020.

- **Commercial Investment Strategy**

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

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

- **Capital – Revenue Implications**

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

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

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

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

1.2 Corporate and Government Funding

- **Government Grant**

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

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

Council Tax and Business Rates

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

Collection Fund (Surplus)/Deficit

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

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

1.3 Summary Budget

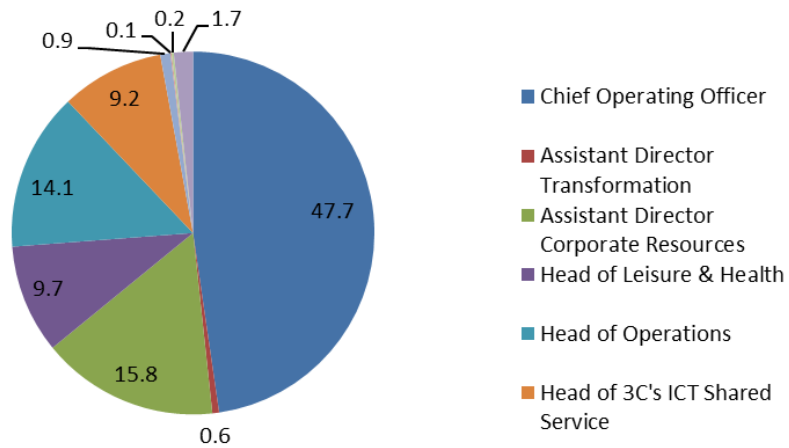
1.3.1 Considering the 2.6% increase in Council Tax for 2020/21 and over the MTFS period, this results in the funding statement shown in **Table 5** and **Table 6** below.

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

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

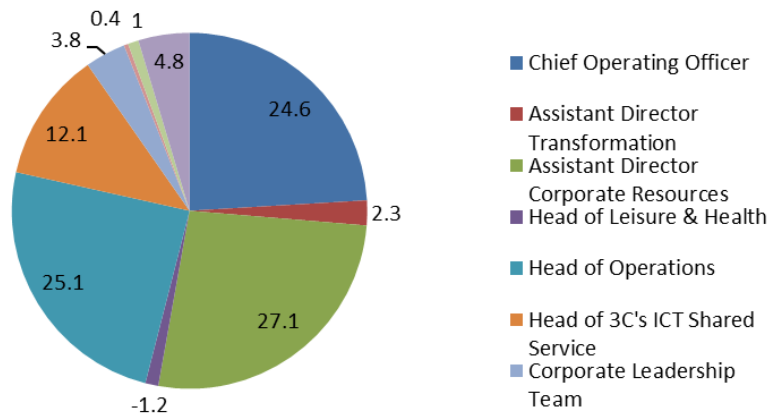
Gross Expenditure by Service 2020/21

%



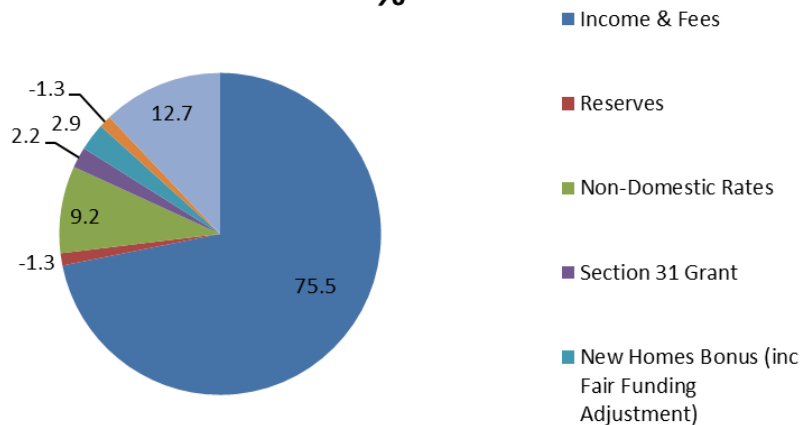
Net Expenditure by Service 2020/21

%



How Services are Paid for in 2020/21

%



1.4 Revenue Reserves

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

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

2.0 REVENUE OPERATIONAL BUDGETS AND MEDIUM TERM FINANCIAL STRATEGY

Table 8

2.1 Subjective Analysis of Spend and Income

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

Analysis of Budget Variations - HDC Total Budget

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

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

2.2 Service Budgets by Head of Service

Table 9

Chief Operating Officer										
Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	
£			£	£	£	£	£	£	£	
4,580	⊖	Employees	Salary	4,754	4,964	4,931	5,010	5,073	5,174	5,278
429			National Insurance	436	472	463	473	479	489	499
742			Pension	764	796	805	821	832	849	866
80			Hired Staff	79	0	0	0	0	0	0
15			Training	6	5	5	5	5	5	5
17			Other staff costs	21	23	23	23	23	23	23
17			Recruitment	9	0	0	0	0	0	0
2			Severance payments	0	0	0	0	0	0	0
0			Uniform & laundry	(1)	(1)	1	(1)	1	1	1
5,881		Employees Total		6,068	6,258	6,228	6,331	6,413	6,541	6,671
34	⊖	Buildings	Rents	3	2	2	2	2	2	2
121			Repairs & Maintenance	121	81	119	117	119	119	119
13			Energy Costs	14	28	28	28	28	28	28
0			Rates	0	1	1	1	1	1	1
29			Water Services	32	28	28	28	28	28	28
197		Buildings Total		170	139	177	176	177	177	177
102	⊖	Supplies & Services	Rents	95	105	90	80	80	80	80
2			Catering	0	1	1	1	1	1	1
144			Communication and computing	79	119	127	127	127	127	127
334			Services	418	459	387	377	377	377	377
32			Equipment, furniture & materials	18	24	24	24	24	24	24
42			Office expenses	(6)	55	12	12	12	12	12
0			Uniform & laundry	0	0	0	0	0	0	0
0			Expenses	0	0	0	0	0	0	0
656		Supplies & Services Total		605	764	641	621	621	621	621
13	⊖	Transport	Mileage Allowance	21	24	23	23	23	23	23
56			Operating Costs	21	14	20	20	20	20	20
6			Public Transport	7	11	9	9	9	9	9
27			Pool Car	14	21	21	21	21	21	21
102		Transport Total		64	69	73	73	73	73	73
256	⊖	Benefit & Transfer Payments	Grants	345	253	253	253	253	253	253
6			Irrecoverable V A T	6	6	6	6	6	6	6
1,389			Contributions paid	1,307	1,273	984	984	984	984	984
33,112			Benefits	29,366	24,041	26,102	23,251	11,896	11,896	11,896
34,763		Benefit & Transfer Payments Total		31,023	25,572	27,344	24,493	13,139	13,139	13,139
0	⊖	Renewals Fund Contribution	Renewals Fund Contribution	10	8	8	8	8	8	8
0		Renewals Fund Contribution Total		10	8	8	8	8	8	8
(5,094)	⊖	Income & Fees	Fees & charges	(4,462)	(4,322)	(4,067)	(3,951)	(3,838)	(3,839)	(3,839)
(116)			Rent	(120)	(110)	(110)	(110)	(110)	(110)	(110)
(12)			Other grants and contributions	(19)	(3)	(3)	(3)	(3)	(3)	(3)
38			Bad Debts Provision	110	122	137	157	157	147	147
(32,943)			Government grants	(29,451)	(24,296)	(26,061)	(23,219)	(11,878)	(11,877)	(11,877)
(6)			Sales	(8)	(7)	(7)	(7)	(7)	(7)	(7)
(38,133)		Income & Fees Total		(33,951)	(28,617)	(30,112)	(27,134)	(15,681)	(15,691)	(15,691)
3,467		Grand Total		3,989	4,194	4,359	4,568	4,751	4,869	4,999
41,599		Gross Service Expenditure		37,939	32,812	34,472	31,702	20,432	20,559	20,689
(38,133)		Gross Service Income		(33,951)	(28,617)	(30,112)	(27,134)	(15,681)	(15,691)	(15,691)
3,467		Net Service Expenditure		3,989	4,194	4,359	4,568	4,751	4,869	4,999
845		Customer Services		748	804	822	836	854	871	888
(46)		Housing Miscellaneous		(50)	(38)	26	27	28	30	31
823		Housing Needs		1,016	1,066	1,146	1,170	1,184	1,189	1,205
1,093		Housing Benefits		1,154	1,050	1,371	1,511	1,605	1,637	1,670
(229)		Local Tax Collection		(224)	(228)	(228)	(228)	(228)	(228)	(228)
(135)		Council Tax Support		(122)	(123)	(122)	(121)	(120)	(119)	(119)
298		Document Centre		263	248	176	180	185	190	195
237		Business Team		248	260	278	273	279	285	290
(157)		Licensing		(132)	(105)	(63)	(57)	(52)	(46)	(41)
540		Community Team		541	584	541	547	553	560	567
285		Environmental Protection Team		320	314	375	381	390	398	405
(614)		Development Management		(406)	(320)	(426)	(402)	(379)	(354)	(327)
22		Head of Customer Services		108	108	0	0	0	0	0
0		Chief Operating Officer		0	0	103	105	107	109	111
84		Head of Development		85	87	0	0	0	0	0
117		Building Control		153	153	153	153	153	153	153
87		Head of Community		86	86	0	0	0	0	0
1		Closed Churchyards		2	(13)	(13)	(13)	(13)	(13)	(13)
125		Environmental Health Admin		110	143	144	129	126	128	131
6		Emergency Planning		12	12	12	12	12	12	12
85		Corporate Health & Safety		77	106	65	66	67	68	69

Table 10

Assistant Director Transformation

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

Table 11

Assistant Director Corporate Resources

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

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

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

Table 12

Head of Leisure & Health

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
3,719	≡	Employees	3,779	3,983	3,770	3,820	3,897	3,975	4,054
215		Salary	211	221	209	210	215	219	223
418		National Insurance	425	475	463	467	477	486	496
9		Pension	9	12	0	0	0	0	0
17		Hired Staff	19	3	0	0	0	0	0
22		Training	27	1	(99)	(101)	(103)	(105)	(107)
5		Other staff costs	0	0	77	79	79	82	82
6		Recruitment	7	9	11	8	11	11	11
6		Uniform & laundry							
4,413		Employees Total	4,477	4,704	4,430	4,484	4,575	4,668	4,759
12	≡	Buildings	11	10	10	10	10	10	10
331		Rents	307	294	238	266	251	253	251
121		Repairs & Maintenance	126	132	117	117	117	117	117
505		Premises Cleaning	607	630	629	590	590	590	590
215		Energy Costs	10	22	14	14	15	14	14
69		Ground Maintenance Costs	106	117	83	83	83	83	83
473		Water Services	479	480	459	473	487	501	516
0		Rates	0	0	0	0	0	0	0
		Fixtures & Fittings							
1,726		Buildings Total	1,646	1,687	1,549	1,552	1,552	1,567	1,580
16	≡	Supplies & Services	17	16	17	17	17	17	17
87		Catering	82	83	78	80	82	80	80
148		Communication and computing	170	195	210	255	253	274	274
448		Services	470	497	465	473	467	477	476
139		Equipment, furniture & materials	142	142	142	142	142	142	142
0		Office expenses	0	0	0	0	0	0	0
2		Uniform & laundry	0	0	0	0	0	0	0
0		Insurance - service related	0	0	0	0	0	0	0
		Expenses							
840		Supplies & Services Total	881	935	912	967	961	990	990
10	≡	Transport	10	10	10	10	10	10	10
6		Mileage Allowance	9	8	9	9	9	9	9
2		Operating Costs	2	2	0	0	0	0	0
0		Public Transport	0	0	0	0	0	0	0
		Contract Hire & operating leases							
18		Transport Total	21	20	19	19	19	19	19
0	≡	Benefit & Transfer Payments	9	0	0	0	0	0	0
81		Services	78	81	70	70	70	70	70
		Irrecoverable V A T							
81		Benefit & Transfer Payments Total	88	81	70	70	70	70	70
0	≡	Renewals Fund Contribution	0	25	25	25	25	25	25
0		Repairs & Maintenance							
		Renewals Fund Contribution							
0		Renewals Fund Contribution Total	0	25	50	50	50	50	50
(5,919)	≡	Income & Fees	(6,310)	(6,613)	(6,405)	(6,704)	(6,810)	(6,871)	(6,896)
(750)		Fees & charges	(776)	(817)	(785)	(788)	(790)	(800)	(800)
(125)		Sales	(82)	(36)	(49)	(15)	(15)	(16)	(16)
(4)		Other grants and contributions	(7)	(5)	(5)	(5)	(5)	(5)	(5)
(1)		Rent	0	0	0	0	0	0	0
		Government grants							
(6,799)		Income & Fees Total	(7,174)	(7,471)	(7,244)	(7,513)	(7,620)	(7,692)	(7,718)
279		Grand Total	(62)	(20)	(215)	(371)	(394)	(328)	(250)
7,078		Gross Service Expenditure	7,113	7,451	7,029	7,142	7,226	7,364	7,468
(6,799)		Gross Service Income	(7,174)	(7,471)	(7,244)	(7,513)	(7,620)	(7,692)	(7,718)
279		Net Service Expenditure	(62)	(20)	(215)	(371)	(394)	(328)	(250)
81		Head of Leisure & Health	83	83	85	87	88	90	92
344		One Leisure Active Lifestyles	178	177	156	152	147	149	153
(146)		Leisure Centres Corporate	(322)	(280)	(456)	(610)	(630)	(568)	(495)
279		Grand Total	(62)	(20)	(215)	(371)	(394)	(328)	(250)

Table 13

Head of Operations

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

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

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

Table 14

Head of 3C ICT Shared Service

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

8,453	Gross Service Expenditure	7,779	6,551	6,628	6,672	6,735	6,800	6,867
(6,333)	Gross Service Income	(5,634)	(4,405)	(4,489)	(4,527)	(4,567)	(4,567)	(4,567)
2,120	Net Service Expenditure	2,145	2,145	2,139	2,144	2,169	2,234	2,300

2,120	ICT Shared Service	0	2,145	2,145	2,139	2,144	2,169	2,234	2,300
2,120	Grand Total	0	2,145	2,145	2,139	2,144	2,169	2,234	2,300

Table 15

Corporate Leadership Team

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

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

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

Table 16

Programmes Delivery Manager

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

0	Gross Service Expenditure	0	0	70	71	72	74	75
0	Gross Service Income	0	0	0	0	0	0	0
0	Net Service Expenditure	0	0	70	71	72	74	75

0	Programmes Delivery	0	0	70	71	72	74	75
0	Grand Total	0	0	70	71	72	74	75

Table 17

Housing Manager

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

177	Gross Service Expenditure	199	222	177	180	183	186	189
0	Gross Service Income	(1)	(2)	0	0	0	0	0
177	Net Service Expenditure	198	220	177	180	183	186	189

177	Housing Strategy	0	198	220	177	180	183	186	189
177	Grand Total	0	198	220	177	180	183	186	189

Table 18

Planning Manager

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

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

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

3.0 CAPITAL

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

Table 19

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

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

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

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

4.0 TREASURY MANAGEMENT

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

- **Short Term Borrowing**

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

- **Long Term Borrowing**

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

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

5.0 Capital Financing Requirement (CFR)

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

Table 20

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

Table 21

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

Table 22

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

6.0 Formal 2020/21 Council Tax Resolutions

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

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

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

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

- | | | |
|-------|---|---------------------|
| (i) | the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act
Gross revenue expenditure including benefits, Town/Parish Precepts | £78,854,472 |
| (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
Revenue income including reimbursement of benefits, specific and general grants, use of reserves and any transfers from the collection fund. | £63,134,970 |
| (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
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. | £ 15,819,502 |
| (iv) | the Council Tax requirement for 2020/21 divided by the tax base (T) in accordance with Section 31B (1) of the Act
District plus average Town/Parish Council Tax (item iii divided by District taxbase) | £251.69 |
| (v) | the aggregate of all "Special Items" referred to in Section 34(1) of the Act.
The total value of Parish/Town precepts included in i and iii above. | £6,651,265 |
| (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.
The District Council's Band D Tax for 2020/21 | £145.86 |

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

6.2 Tax Base 2020/21

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

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

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

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

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

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

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

7. Fees and Charges

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

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

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

8.2 Robustness and Budget Setting

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

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

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

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

8.3 Challenges Facing the Council

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

Public Sector Austerity – Cuts in grant funding

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

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

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

Programme of Service Review

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

8.4 Governance

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

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

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

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

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

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

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

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

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

8.5 Risks

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

Mitigation of Unforeseen Events

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

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

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

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

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

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

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

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

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

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

Risk Modelling

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

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

- level of retained business rates.

8.5.6 Taking each of the above in turn:

- **Underachievement of Savings & Additional Income**

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

- **Inflation**

With regard to:

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

- **Reduced income: Fees and Charges**

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

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

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

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

- **Reduced income: New Homes Bonus**

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

- **Government Grant: Non Domestic Rates**

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

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

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

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

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

- **Failure of a Borrower**

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

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

- **Emergency**

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

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

- **Estate property enhancement/development**

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

- **Increased demands on services**

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

revenue impact is homelessness.

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

- **Council Tax**

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

Sensitivity for 2020/21 Budget

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

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

Table 24

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

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

8.6 Revenue Reserves

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

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

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

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

Stage 1 – The Primary Test of Financial Resilience

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

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

Stage 2 – The Secondary Test of Financial Resilience

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

Table 25

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

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

8.6.4 Consequently, it is fair to say that:

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

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

Table 26

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

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

8.7 Conclusion

- **2020/21 Budget**

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

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

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

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

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

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

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

Claire Edwards FCCA

Responsible Financial Officer (Section 151)