



**FINAL**  
**2021/22 Budget**  
**&**  
**Medium Term Financial**  
**Strategy**  
**2022/23**  
**To**  
**2025/26**

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## 1.0 STRATEGIC BUDGET SUMMARY

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

1.1.1 Over the Autumn of 2020, Portfolio holders were challenged to review their budgets with respective senior officers in understanding the impact of the Covid 19 Pandemic on the forthcoming financial year (2021/22) and the MTFS period (2022/23 to 2025/26) and how any impact could be mitigated by any potential savings or efficiencies in delivery of services.

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 However, the challenge for this budget was to understand the continued, unavoidable pressures that the Council will continue to face, as we emerge from the social and economic fallout the pandemic has caused. Therefore, previous assumptions have been reviewed and challenged considering the uncertainty around the Local Government Financial settlement beyond 21/22.

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 (unavoidable)
- Controllable growth

1.1.6 All of the savings, income generation and growth are summarised in the service budget pages later in this report. The total Service Proposals for 2021/22 are £2.86m and **Table 1** below shows how this is allocated by service.

Table 1	Service Savings and Growth Proposals		
	Budget Savings	Budget Growth	Total
Service	£000	£000	£000
Chief Operating Officer	(80)	87	8
Assistant Director Transformation	0	30	30
Assistant Director Corporate Resources	(151)	868	717
Head of Leisure & Health	(569)	1,476	907
Head of Operations	(96)	1,189	1,093
Head of 3C's ICT Shared Service	0	104	104
Planning Manager	(1)	2	1
<b>Total</b>	<b>(897)</b>	<b>3,757</b>	<b>2,860</b>

- **Commercial Investment Strategy**

1.1.7 A key part of the Council's previous Budget strategy has been the Commercial Investment Strategy (CIS), as approved by the Council in 2015. Although the Commercial Investments still contributes a significant proportion of income to our budgets, the property market remains challenging, never more so in the current climate. A change in investment emphasis over the next year in that acquisitions/investments are more likely to be focused on the redevelopment of Market Towns and housing related propositions. Due to the impact on the property market of Covid 19, retail and office space, it is difficult to predict how the market will emerge from this pandemic. The current profile of CIS related income is around the £4.5m and £4.9m per annum and is shown in **Table A** below.

CIS Investment Type	Gross Income: Commercial Investment Strategy											
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Budget	Medium Term Financial Strategy				
	£'000	£'000	£'000	£'000	£'000	£'000	2021/22	2022/23	2023/24	2024/25	2025/26	
Pre CIS Commercial Property Investments	(1,930)	(1,922)	(2,022)	(2,297)	(2,326)	(2,308)	(2,098)	(2,102)	(2,092)	(1,977)	(1,973)	
New CIS Commercial Property Investments	(31)	(509)	(785)	(1,242)	(2,460)	(2,163)	(2,492)	(2,432)	(2,468)	(2,817)	(2,821)	
"To be acquired" CIS Commercial Property Investments	0	10	(2,232)	(1,775)								
<b>Total Commercial Property Investments</b>	<b>(1,961)</b>	<b>(2,421)</b>	<b>(5,039)</b>	<b>(5,314)</b>	<b>(4,786)</b>	<b>(4,471)</b>	<b>(4,590)</b>	<b>(4,534)</b>	<b>(4,560)</b>	<b>(4,794)</b>	<b>(4,794)</b>	
Property Fund	(20)	(111)	(162)	(162)	(169)	(169)	(162)	(162)	(162)	(162)	(162)	
<b>Total CIS Income</b>	<b>(1,981)</b>	<b>(2,532)</b>	<b>(5,201)</b>	<b>(5,476)</b>	<b>(4,955)</b>	<b>(4,640)</b>	<b>(4,752)</b>	<b>(4,696)</b>	<b>(4,722)</b>	<b>(4,956)</b>	<b>(4,956)</b>	

- **Capital – Revenue Implications**

1.1.8 The revenue budget contains any implications from the proposed capital programme for 2021/22 and the MTFs, whether that will be savings because of investment, additional running costs or the cost of borrowing (Minimum Revenue Provision).

- **Summary Impact of all budget changes – comparing Final Budget 2020/21 to Final Budget 2021/22**

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 £2.998m (14%) when compared to the 2020/21 Original Budget and an increase of £2.199m (11%) when compared to the December 2020/21 Forecast Outturn. A service by service summary is shown in **Table 2** below.

Service	Summary of Total Budget Movements (Original Budget for 2020/21 to Base Budget 2021/22)											
	2020/21		Previously Approved Adjustments	2021/22				Inflation	Other Operational Adjustments	Proposed Budget	Variance	
	Forecast Outturn	Original Budget		Growth	Savings	Increased Income	Linked to Capital				To 2020/21 Forecast	To 2020/21 Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	%	%	
Chief Operating Officer	4,330	4,425	85	87	(64)	(16)	0	135	(218)	4,435	2%	0%
Assistant Director Transformation	303	401	(117)	30	0	0	0	86	(18)	383	26%	(5%)
Assistant Director Corporate Resources	5,390	5,899	444	868	(107)	(44)	0	113	(149)	7,025	30%	19%
Head of Leisure & Health	579	(215)	(259)	1,476	(569)	0	0	123	(34)	522	(10%)	(343%)
Head of Operations	4,037	3,347	(77)	1,189	(96)	0	0	39	6	4,408	9%	32%
Head of 3C's ICT Shared Service	2,128	2,139	(57)	31	0	0	73	18	49	2,253	6%	5%
Corporate Leadership Team	731	603	0	0	0	0	0	16	0	619	(15%)	3%
Programmes Delivery Manager	36	70	0	0	0	0	0	1	0	71	98%	2%
Housing Manager	208	177	0	0	0	0	0	2	0	180	(14%)	2%
Planning Manager	745	842	(0)	2	(1)	0	0	14	(66)	791	6%	(6%)
<b>Net Expenditure</b>	<b>18,487</b>	<b>17,688</b>	<b>18</b>	<b>3,684</b>	<b>(837)</b>	<b>(60)</b>	<b>73</b>	<b>548</b>	<b>(428)</b>	<b>20,686</b>		
Forecast Outturn	18,487			2,199						20,686	11%	
Budget		17,688		2,998						20,686		14%

## 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 18<sup>th</sup> December the Government provisionally made an announcement in respect of New Homes Bonus and that the 2021/22 settlement is expected to be £2.12m, this is £1.1m more than expected in the 2020/21 MTFS. The Government's intention is to phase out the grant gradually being reduced to zero by 2023/24.
- On the 18<sup>th</sup> December, the Government provisionally confirmed that the Revenue Support Grant (RSG) 2021/22 would be zero, this was in line with what was expected. In the 2020/21 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 the grant to remain at zero. As the final decision is likely to be a part of the Fair Funding Review, the 2021/22 MTFS still provides for negative payments of RSG/Fair Funding Review of £82k for 2021/22 up to £408k by 2025/22 as a prudent measure.

### Council Tax and Business Rates

1.2.2 There is an assumption within the 2021/22 Budget that there will be a Council Tax freeze and from 22/23 over the remaining term of the MTFS Council Tax will be increased by 2.6% per annum. Therefore, the Council Tax for 2021/22 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 freeze is in line with what current local indicators show in respect of wage decrease (-0.3% Cambridgeshire April 19 to April 20)\* and pensions increases (estimated 2.5% 2021/22)\*.

\* Source: UK government data

1.2.4 The Council receives 40% of the Business rates collected and, after allowing for the tariff payment, it estimates this to be £6.01m in 2021/22, this is a decrease of 10.7% from the previous year. The reduction assumes no growth within 2021/22 due to the uncertainty of businesses ability to survive once provision of furlough has been withdrawn. From 22/23, 2.5% has been 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 3** below along with the share that is apportioned to the Council.

<b>Table 3</b>	<b>Collection Fund Estimated Surplus 2020/21</b>	
	<b>(Surplus)/Deficit £000</b>	<b>HDC Share £000</b>
Council Tax	(2,183)	(296)
<b>Total</b>	<b>(2,183)</b>	<b>(296)</b>

## 1.3 Summary Budget

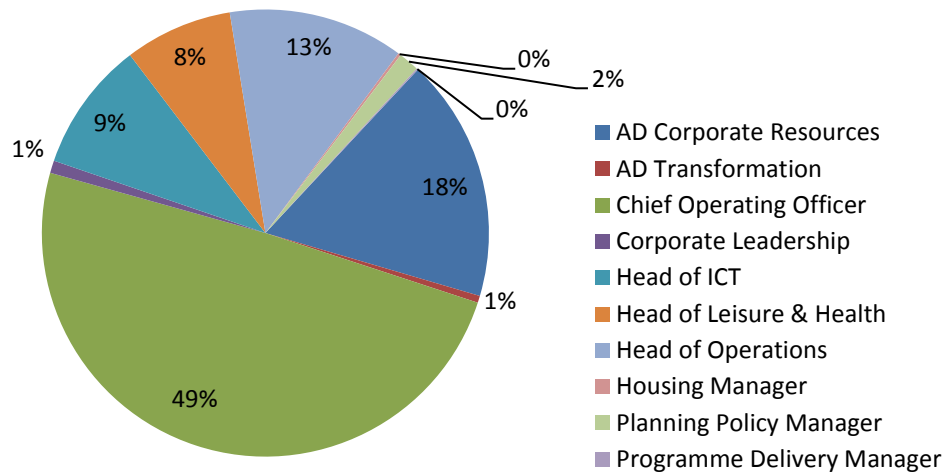
1.3.1 Considering the 0% increase in Council Tax for 2021/22 and over the MTFS period, this results in the funding statement shown in **Table 4** and **Table 5** below.

Table 4	Council Services Net Expenditure Budget (2020/21) and MTFS						
	2020/21		2021/22	Medium Term Financial Strategy			
	Budget	Forecast (December)	Budget	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000	£000	£000
Chief Operating Officer	4,425	4,330	4,435	4,616	4,687	4,860	4,998
Assistant Director Transformation	401	303	383	277	491	464	474
Assistant Director Corporate Resources	5,899	5,390	7,025	7,172	6,933	6,900	6,835
Head of Leisure & Health	(215)	579	522	(30)	(108)	(221)	(114)
Head of Operations	3,347	4,037	4,407	3,777	3,546	3,670	3,779
Head of 3C's ICT Shared Service	2,139	2,128	2,253	2,286	2,351	2,418	2,486
Corporate Leadership Team	603	731	619	631	643	656	668
Programmes Delivery Manager	70	36	71	72	74	75	77
Housing Manager	177	208	180	183	186	189	192
Planning Manager	842	745	791	858	877	927	946
<b>Net Expenditure</b>	<b>17,688</b>	<b>18,487</b>	<b>20,686</b>	<b>19,842</b>	<b>19,680</b>	<b>19,938</b>	<b>20,341</b>

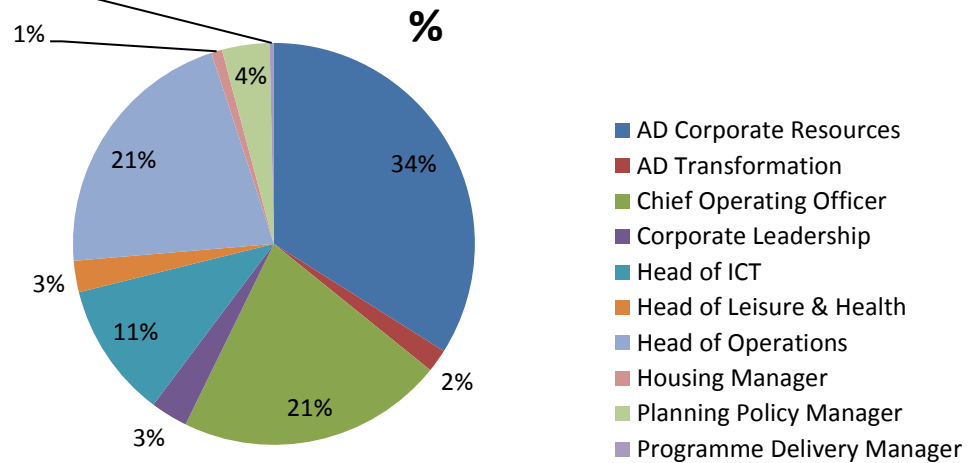
  

Table 5	Council Funding Statement Budget (2020/21) and MTFS						
	2020/21		2021/22	Medium Term Financial Strategy			
	Budget	Forecast (December)	Budget	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000	£000	£000
<b>Net Expenditure</b>	<b>17,688</b>	<b>18,487</b>	<b>20,686</b>	<b>19,842</b>	<b>19,680</b>	<b>19,938</b>	<b>20,341</b>
Contribution to/(from) Earmarked Reserves:	0						
- Commercial Investment Strategy	2,212	2,212				0	0
General Reserves	(1,256)	(1,149)	776	(1,145)	(923)	(598)	(436)
<b>Budget Requirement</b>	<b>18,644</b>	<b>19,550</b>	<b>21,462</b>	<b>18,697</b>	<b>18,757</b>	<b>19,340</b>	<b>19,905</b>
Non-Domestic Rates	(6,674)	(6,674)	(6,080)	(6,644)	(6,829)	(7,096)	(7,370)
Non-Domestic Rates (Growth Pilot)	0	0	0	0	0	0	0
S31 Grant	(1,579)	(2,403)	(2,176)	(2,213)	(2,250)	(2,287)	(2,287)
Revenue Support Grant (RSG)	0	0	0	0	0	0	0
Fair Funding Review Adjustment	82	0	82	163	245	326	408
New Homes Bonus	(2,212)	(2,212)	(2,014)	(427)	0	0	0
Collection Fund (Surplus) / Deficit	907	907	(296)	0	0	0	0
Council Tax Support Funding			(189)				
Income Compensation Scheme (Q1)			(595)				
Covid 19 Funding (tranche 5)			(758)				
Local Tier Service Grant			(195)				
<b>Council Tax Requirement</b>	<b>9,168</b>	<b>9,168</b>	<b>9,241</b>	<b>9,576</b>	<b>9,923</b>	<b>10,283</b>	<b>10,656</b>
- Base (*)	<b>62,854</b>	<b>62,854</b>	<b>63,355</b>	<b>63,989</b>	<b>64,628</b>	<b>65,275</b>	<b>65,927</b>
- Per Band D	<b>145.86</b>	<b>145.86</b>	<b>145.86</b>	<b>149.65</b>	<b>153.54</b>	<b>157.54</b>	<b>161.63</b>
- Increase £			£ -	£ 3.79	£ 3.89	£ 3.99	£ 4.10
- Increase %			<b>0.00%</b>	<b>2.60%</b>	<b>2.60%</b>	<b>2.60%</b>	<b>2.60%</b>

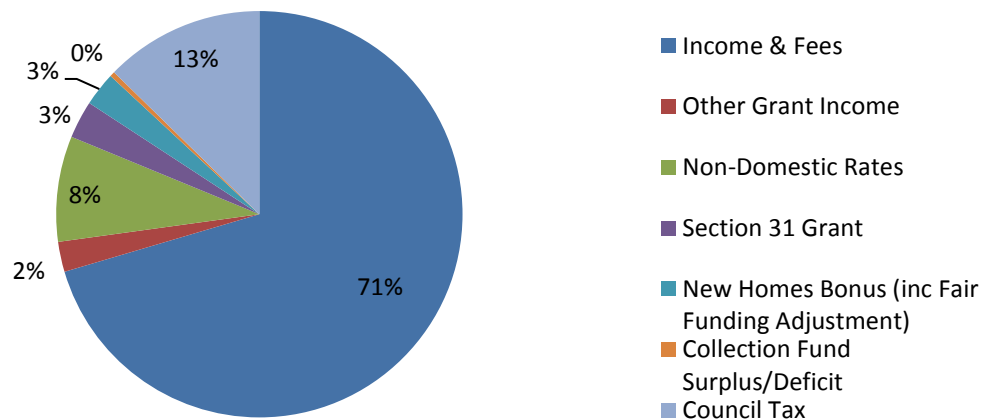
### Gross Expenditure by Service 2021/22



### Net Expenditure by Service 2021/22



### How Services are Paid for in 2021/22





## 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 2021/22 and MTFS is shown in **Table 6** below.

Table 6	Reserves and MTFS						
	2020/21		2021/22 Budget £000	Medium Term Financial Strategy			
	Budget £000	Forecast £000		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<b>GENERAL FUND (Unallocated) RESERVE</b>							
<b>b/f</b>	2,525	2,534	2,175	2,175	2,175	2,175	2,175
Contribution to Reserve	0	0	0	0	0	0	0
Contribution from Reserve	(1,256)	(1,149)	776	(1,145)	(923)	(598)	(436)
Contribution from(to) Budget Surplus	1,384	790	(776)	1,145	923	598	436
<b>c/f</b>	<b>2,653</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>
Net Expenditure	17,688	18,487	20,686	19,842	19,680	19,938	20,341
<b>Minimum Level of Reserves</b>	<b>2,592</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>	<b>2,175</b>
<b>BUDGET SURPLUS RESERVE</b>							
<b>b/f</b>	3,031	4,774	3,984	4,760	3,615	2,692	2,094
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	(1,384)	(790)	776	(1,145)	(923)	(598)	(436)
Contribution from (to) CIS Reserve			0	0	0	0	
Contribution from (to) Earmarked Reserves	(58)						
<b>c/f</b>	<b>1,589</b>	<b>3,984</b>	<b>4,760</b>	<b>3,615</b>	<b>2,692</b>	<b>2,094</b>	<b>1,658</b>
<b>COMMERCIAL INVESTMENT RESERVE</b>							
<b>b/f</b>	3,536	3,382	3,186	3,186	3,186	3,186	3,186
Contribution to Reserve (former NHB)		0	0	0	0	0	0
Contribution from Reserve	(38)	(196)	0	0	0	0	0
Contribution from (to) General Fund	0	0	0	0	0	0	0
Contribution from (to) Budget Surplus Reserve	0	0	0	0	0	0	0
<b>c/f</b>	<b>3,498</b>	<b>3,186</b>	<b>3,186</b>	<b>3,186</b>	<b>3,186</b>	<b>3,186</b>	<b>3,186</b>

## 2.0 REVENUE OPERATIONAL BUDGETS AND MEDIUM TERM FINANCIAL STRATEGY

Table 7

### 2.1 Subjective Analysis of Spend and Income

Huntingdonshire District Council								
Actuals 2019/20	Subjective Analysis : Controllable Only		2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£			£	£	£	£	£	£
0	Income & Fees	Commuted sums	(151)	(151)	(151)	(151)	(151)	(151)
(20,338)		Fees & charges	(17,678)	(14,796)	(15,698)	(16,352)	(16,579)	(16,607)
(30,373)		Government grants	(26,119)	(27,018)	(15,677)	(15,676)	(15,676)	(15,676)
(531)		Interest Income	(533)	(533)	(533)	(533)	(533)	(533)
(3,178)		Other grants and contributions	(3,247)	(3,211)	(3,258)	(3,260)	(3,262)	(3,268)
(4,938)		Rent	(6,047)	(4,803)	(4,760)	(4,847)	(5,036)	(5,036)
(1,159)		Sales	(1,007)	(725)	(1,003)	(1,013)	(1,013)	(1,013)
<b>(60,517)</b>	<b>Income &amp; Fees Total</b>		<b>(54,782)</b>	<b>(51,236)</b>	<b>(41,080)</b>	<b>(41,832)</b>	<b>(42,250)</b>	<b>(42,284)</b>
198	Employees	Employee Insurance	216	335	335	335	335	335
1,670		Hired Staff	358	326	301	301	301	301
1,533		National Insurance	1,658	1,682	1,725	1,778	1,833	1,886
274		Other staff costs	1,696	1,698	1,696	1,694	1,692	1,692
4,297		Pension	3,067	3,114	3,170	3,233	3,301	3,367
73		Recruitment	92	117	115	118	118	118
17,830		Salary	19,162	18,760	19,332	19,610	20,003	20,410
32		Services	36	36	36	36	36	36
398		Severance payments	169	171	152	152	152	152
181		Training	131	130	130	130	130	130
56		Uniform & laundry	45	38	44	45	45	45
<b>26,545</b>	<b>Employees Total</b>		<b>26,630</b>	<b>26,407</b>	<b>27,036</b>	<b>27,431</b>	<b>27,945</b>	<b>28,472</b>
790	Buildings	Energy Costs	897	816	850	850	848	848
27		Ground Maintenance Costs	14	14	15	14	14	14
207		Premises Cleaning	226	231	226	212	212	212
97		Premises Insurance	104	122	123	124	124	125
11		Rates	7	7	7	7	7	7
7		Rents	13	13	13	13	13	13
1,377		Rents Payable	1,349	1,478	1,682	1,589	1,589	1,629
606		Repairs & Maintenance	704	709	746	781	758	762
172		Water Services	155	174	155	155	155	155
<b>3,294</b>	<b>Buildings Total</b>		<b>3,469</b>	<b>3,564</b>	<b>3,818</b>	<b>3,746</b>	<b>3,721</b>	<b>3,767</b>
20	Supplies & Services	Catering	22	22	22	22	22	22
1,225		Communication and computing	1,115	1,111	1,179	1,177	1,178	1,178
5,752		Equipment, furniture & materials	3,858	2,745	2,479	2,448	2,404	2,404
0		Expenses	0	0	0	0	0	0
101		Insurance - service related	79	88	89	91	92	92
361		Members Allowances	402	417	417	417	417	417
496		Office expenses	408	449	475	475	475	475
1		Other staff costs	0	0	0	0	0	0
6		Premises Cleaning	0	0	0	0	0	0
5		Repairs & Maintenance	0	0	0	0	0	0
6,490		Services	6,488	6,284	5,926	6,233	6,461	6,327
<b>14,456</b>	<b>Supplies &amp; Services Total</b>		<b>12,373</b>	<b>11,116</b>	<b>10,588</b>	<b>10,863</b>	<b>11,049</b>	<b>10,915</b>
9	Transport	Contract Hire & operating leases	19	19	19	19	19	19
47		Mileage Allowance	62	61	61	61	61	61
912		Operating Costs	917	922	922	922	922	922
(0)		Pool Car	31	34	34	34	34	34
25		Public Transport	25	25	25	25	25	25
175		Vehicle Insurance	173	204	204	204	204	204
5		Other Transport Costs	0	0	0	0	0	0
<b>1,174</b>	<b>Transport Total</b>		<b>1,227</b>	<b>1,264</b>	<b>1,264</b>	<b>1,264</b>	<b>1,264</b>	<b>1,264</b>
29,716	Benefit & Transfer Payments	Benefits	26,102	26,875	15,521	15,521	15,521	15,521
1,213		Contributions paid	1,061	1,061	1,061	1,061	1,061	1,061
0		Discretionary Relief	39	0	0	0	0	0
936		Grants	829	836	836	836	836	836
0		Irrecoverable V A T	106	106	106	106	106	106
425		Levies	408	408	408	408	408	408
91		Other Misc Payments	7	7	7	7	7	7
<b>32,381</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>28,550</b>	<b>29,292</b>	<b>17,938</b>	<b>17,938</b>	<b>17,938</b>	<b>17,938</b>
0	Renewals Fund Contribution	Renewals Fund Contribution	58	58	58	58	58	58
<b>0</b>	<b>Renewals Fund Contribution Total</b>		<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>
(146)	Reserve-Revenue Transfers	Bad Debts Provision	167	187	187	177	177	177
0		Reserve-Revenue Transfers	(4)	34	34	34	34	34
<b>(146)</b>	<b>Reserve-Revenue Transfers Total</b>		<b>163</b>	<b>221</b>	<b>221</b>	<b>211</b>	<b>211</b>	<b>211</b>
<b>17,187</b>	<b>Net Expenditure</b>		<b>17,688</b>	<b>20,686</b>	<b>19,843</b>	<b>19,679</b>	<b>19,937</b>	<b>20,340</b>
77,704	Gross Service Expenditure		72,470	71,922	60,923	61,511	62,187	62,625
(60,517)	Gross Service Income		(54,782)	(51,236)	(41,080)	(41,832)	(42,250)	(42,284)
<b>17,187</b>	<b>Net Service Expenditure</b>		<b>17,688</b>	<b>20,686</b>	<b>19,843</b>	<b>19,679</b>	<b>19,937</b>	<b>20,340</b>
<b>Budget Totals by Responsible Officer</b>								
3,696	Chief Operating Officer		4,425	4,435	4,616	4,687	4,860	4,998
380	Assistant Director Transformation		401	383	277	491	464	474
5,430	Assistant Director Corporate Services		5,899	7,025	7,172	6,933	6,900	6,835
267	Head of Leisure & Health		(215)	522	(30)	(108)	(221)	(114)
3,419	Head of Operations		3,347	4,407	3,777	3,546	3,670	3,779
2,206	Head of 3C's ICT Shared Service		2,139	2,253	2,286	2,351	2,418	2,486
808	Corporate Leadership Team		603	619	631	643	656	668
19	Programmes Delivery Manager		70	71	72	74	75	77
139	Housing Manager		177	180	183	186	189	192
822	Planning Manager		842	791	858	877	927	946
<b>17,187</b>	<b>Net Service Expenditure Total</b>		<b>17,688</b>	<b>20,686</b>	<b>19,843</b>	<b>19,679</b>	<b>19,937</b>	<b>20,340</b>

## 2.2 Service Budgets by Head of Service

Table 8

Actuals 2019/20	Head of Service	Chief Operating Officer	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
(4,375)	Income & Fees	Fees & charges	(4,072)	(3,925)	(3,763)	(3,785)	(3,776)	(3,776)
(29,830)		Government grants	(26,066)	(26,965)	(15,624)	(15,623)	(15,623)	(15,623)
(1)		Interest Income	0	0	0	0	0	0
(19)		Other grants and contributions	(3)	(3)	(3)	(3)	(3)	(3)
(126)		Rent	(110)	(110)	(110)	(110)	(110)	(110)
(15)		Sales	(7)	(7)	(7)	(7)	(7)	(7)
<b>(34,365)</b>	<b>Income &amp; Fees Total</b>		<b>(30,259)</b>	<b>(31,011)</b>	<b>(19,508)</b>	<b>(19,529)</b>	<b>(19,520)</b>	<b>(19,520)</b>
181	Employees	Hired Staff	0	0	0	0	0	0
428		National Insurance	469	475	484	496	512	527
22		Other staff costs	23	23	23	23	23	23
745		Pension	815	824	830	845	864	881
22		Recruitment	0	0	0	0	0	0
4,548		Salary	4,989	5,028	5,055	5,131	5,258	5,364
2		Services	3	3	3	3	3	3
56		Severance payments	0	10	0	0	0	0
6		Training	5	6	6	6	6	6
3		Uniform & laundry	1	(1)	1	1	1	1
<b>6,012</b>	<b>Employees Total</b>		<b>6,305</b>	<b>6,368</b>	<b>6,402</b>	<b>6,504</b>	<b>6,667</b>	<b>6,805</b>
22	Buildings	Energy Costs	28	28	28	28	28	28
0		Ground Maintenance Costs	0	0	0	0	0	0
0		Premises Cleaning	0	0	0	0	0	0
0		Premises Insurance	0	0	0	0	0	0
(1)		Rents Payable	2	2	2	2	2	2
9		Repairs & Maintenance	18	18	18	18	18	18
42		Water Services	28	28	28	28	28	28
<b>73</b>	<b>Buildings Total</b>		<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>
2	Supplies & Services	Catering	1	1	1	1	1	1
113		Communication and computing	114	114	114	114	114	114
158		Equipment, furniture & materials	158	75	74	74	74	74
0		Expenses	0	0	0	0	0	0
0		Insurance - service related	0	0	0	0	0	0
52		Office expenses	13	75	75	75	75	75
1		Other staff costs	0	0	0	0	0	0
3		Repairs & Maintenance	0	0	0	0	0	0
483		Services	464	390	390	390	390	390
0		Uniform & laundry	0	0	0	0	0	0
<b>812</b>	<b>Supplies &amp; Services Total</b>		<b>750</b>	<b>656</b>	<b>655</b>	<b>655</b>	<b>655</b>	<b>655</b>
0	Transport	Contract Hire & operating leases	0	0	0	0	0	0
14		Mileage Allowance	24	24	24	24	24	24
2		Operating Costs	10	7	7	7	7	7
33		Pool Car	21	24	24	24	24	24
5		Public Transport	9	9	9	9	9	9
5		Other Transport Costs	0	0	0	0	0	0
<b>58</b>	<b>Transport Total</b>		<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>
29,716	Benefit & Transfer Payments	Benefits	26,102	26,875	15,521	15,521	15,521	15,521
1,120		Contributions paid	984	984	984	984	984	984
302		Grants	253	253	253	253	253	253
0		Irrecoverable V A T	6	6	6	6	6	6
84		Other Misc Payments	0	0	0	0	0	0
<b>31,222</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>27,344</b>	<b>28,117</b>	<b>16,763</b>	<b>16,763</b>	<b>16,763</b>	<b>16,763</b>
0	Renewals Fund Contribution	Renewals Fund Contribution	8	8	8	8	8	8
<b>0</b>	<b>Renewals Fund Contribution Total</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
(116)	Reserve-Revenue Transfers	Bad Debts Provision	137	157	157	147	147	147
<b>(116)</b>	<b>Reserve-Revenue Transfers Total</b>		<b>137</b>	<b>157</b>	<b>157</b>	<b>147</b>	<b>147</b>	<b>147</b>
<b>3,696</b>	<b>Net Expenditure</b>		<b>4,425</b>	<b>4,435</b>	<b>4,616</b>	<b>4,687</b>	<b>4,860</b>	<b>4,998</b>
<b>38,062</b>	<b>Gross Service Expenditure</b>		<b>34,684</b>	<b>35,446</b>	<b>24,124</b>	<b>24,217</b>	<b>24,380</b>	<b>24,518</b>
<b>(34,365)</b>	<b>Gross Service Income</b>		<b>(30,259)</b>	<b>(31,011)</b>	<b>(19,508)</b>	<b>(19,529)</b>	<b>(19,520)</b>	<b>(19,520)</b>
<b>3,696</b>	<b>Net Service Expenditure</b>		<b>4,425</b>	<b>4,435</b>	<b>4,616</b>	<b>4,687</b>	<b>4,860</b>	<b>4,998</b>
89	Building Control		153	153	153	153	153	153
287	Business Team		278	274	279	285	291	297
52	Chief Operating Officer		103	128	130	133	135	138
1	Closed Churchyards		(13)	(13)	(13)	(13)	(13)	(13)
538	Community Team		541	581	588	595	612	620
55	Corporate Health & Safety		65	84	86	87	89	90
(135)	Council Tax Support		(122)	(116)	(115)	(114)	(114)	(114)
785	Customer Services		888	900	920	940	959	979
(429)	Development Management		(426)	(594)	(471)	(446)	(420)	(394)
247	Document Centre		176	192	185	188	192	196
20	Emergency Planning		12	12	12	12	12	12
99	Environmental Health Admin		144	132	129	131	134	137
327	Environmental Protection Team		375	384	393	401	409	417
79	Head of Community		0	0	0	0	0	0
0	Head of Customer Services		0	0	0	0	0	0
80	Head of Development		0	0	0	0	0	0
984	Housing Benefits		1,371	1,430	1,431	1,465	1,499	1,535
3	Housing Miscellaneous		26	27	28	30	31	33
952	Housing Needs		1,146	1,142	1,155	1,110	1,153	1,169
(128)	Licensing		(63)	(53)	(47)	(41)	(34)	(28)
(211)	Local Tax Collection		(228)	(228)	(228)	(228)	(228)	(228)
<b>3,696</b>	<b>Net Service Expenditure</b>		<b>4,425</b>	<b>4,435</b>	<b>4,616</b>	<b>4,687</b>	<b>4,860</b>	<b>4,998</b>

Table 9

Actuals 2019/20	Head of Service	AD Transformation	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
0	Income & Fees	Fees & charges	0	0	0	0	0	0
(12)		Government grants	0	0	0	0	0	0
0		Other grants and contributions	0	0	0	0	0	0
(12)	<b>Income &amp; Fees Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4	Employees	Hired Staff	0	0	0	0	0	0
24		National Insurance	32	39	40	41	42	43
0		Other staff costs	0	0	0	0	0	0
37		Pension	47	61	62	63	65	66
0		Recruitment	5	5	5	5	5	5
209		Salary	377	366	264	266	237	244
0		Services	0	0	0	0	0	0
0		Training	10	8	8	8	8	8
0		Uniform & laundry	0	0	0	0	0	0
275	<b>Employees Total</b>		<b>470</b>	<b>479</b>	<b>379</b>	<b>384</b>	<b>356</b>	<b>366</b>
1	Buildings	Rents Payable	0	0	0	0	0	0
1		Repairs & Maintenance	0	0	0	0	0	0
1	<b>Buildings Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	Supplies & Services	Catering	0	0	0	0	0	0
1		Communication and computing	0	0	0	0	0	0
86		Equipment, furniture & materials	45	102	102	102	102	102
1		Office expenses	1	1	1	1	1	1
28		Services	(116)	(199)	(205)	5	5	5
115	<b>Supplies &amp; Services Total</b>		<b>(70)</b>	<b>(97)</b>	<b>(103)</b>	<b>107</b>	<b>107</b>	<b>107</b>
0	Transport	Mileage Allowance	0	0	0	0	0	0
0		Pool Car	0	0	0	0	0	0
0		Public Transport	1	1	1	1	1	1
1	<b>Transport Total</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
0	Benefit & Transfer Payments	Grants	0	0	0	0	0	0
0	<b>Benefit &amp; Transfer Payments Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
380	<b>Net Expenditure</b>		<b>401</b>	<b>383</b>	<b>277</b>	<b>491</b>	<b>464</b>	<b>474</b>
392	Gross Service Expenditure		401	383	277	491	464	474
(12)	Gross Service Income		0	0	0	0	0	0
380	<b>Net Service Expenditure</b>		<b>401</b>	<b>383</b>	<b>277</b>	<b>491</b>	<b>464</b>	<b>474</b>

Table 10

Actuals 2019/20	Head of Service	AD Corporate Resources	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
(956)	Income & Fees	Fees & charges	(582)	(418)	(405)	(407)	(421)	(422)
(417)		Government grants	(17)	(17)	(17)	(17)	(17)	(17)
(530)		Interest Income	(533)	(533)	(533)	(533)	(533)	(533)
0		Other grants and contributions	(5)	(5)	(5)	(5)	(5)	(5)
(4,751)		Rent	(5,900)	(4,656)	(4,613)	(4,700)	(4,889)	(4,889)
(3)		Sales	0	0	0	0	0	0
<b>(6,657)</b>	<b>Income &amp; Fees Total</b>		<b>(7,037)</b>	<b>(5,629)</b>	<b>(5,573)</b>	<b>(5,662)</b>	<b>(5,866)</b>	<b>(5,866)</b>
198	Employees	Employee Insurance	216	334	334	334	334	334
548		Hired Staff	74	47	22	22	22	22
157		National Insurance	197	185	190	196	202	207
18		Other staff costs	1,592	1,590	1,590	1,590	1,590	1,590
1,858		Pension	347	343	350	357	364	372
13		Recruitment	0	23	21	21	21	21
1,832		Salary	1,996	1,820	2,054	1,965	2,007	2,048
30		Services	33	33	33	33	33	33
298		Severance payments	169	160	152	152	152	152
87		Training	62	62	62	62	62	62
2		Uniform & laundry	0	0	0	0	0	0
<b>5,040</b>	<b>Employees Total</b>		<b>4,687</b>	<b>4,599</b>	<b>4,810</b>	<b>4,733</b>	<b>4,788</b>	<b>4,843</b>
200	Buildings	Energy Costs	195	189	189	189	187	187
0		Ground Maintenance Costs	0	0	0	0	0	0
93		Premises Cleaning	97	98	98	84	84	84
97		Premises Insurance	103	122	123	124	124	125
7		Rates	7	7	7	7	7	7
577		Rents Payable	549	653	833	715	689	703
175		Repairs & Maintenance	235	284	280	260	255	255
12		Water Services	11	12	12	12	12	12
<b>1,161</b>	<b>Buildings Total</b>		<b>1,198</b>	<b>1,364</b>	<b>1,541</b>	<b>1,390</b>	<b>1,358</b>	<b>1,372</b>
4	Supplies & Services	Catering	3	3	3	3	3	3
149		Communication and computing	201	109	152	152	152	152
0		Election Costs	0	0	0	0	0	0
120		Equipment, furniture & materials	89	94	95	95	95	95
91		Insurance - service related	75	84	85	87	88	88
361		Members Allowances	402	417	417	417	417	417
256		Office expenses	140	150	176	176	176	176
0		Other staff costs	0	0	0	0	0	0
0		Penalties & Fines	0	0	0	0	0	0
0		Premises Cleaning	0	0	0	0	0	0
0		Repairs & Maintenance	0	0	0	0	0	0
4,186		Services	5,338	4,994	4,627	4,702	4,849	4,715
<b>5,166</b>	<b>Supplies &amp; Services Total</b>		<b>6,249</b>	<b>5,851</b>	<b>5,554</b>	<b>5,631</b>	<b>5,779</b>	<b>5,646</b>
1	Transport	Contract Hire & operating leases	0	0	0	0	0	0
8		Mileage Allowance	11	11	11	11	11	11
0		Operating Costs	0	0	0	0	0	0
5		Pool Car	3	3	3	3	3	3
3		Public Transport	3	3	3	3	3	3
165		Vehicle Insurance	171	202	202	202	202	202
<b>182</b>	<b>Transport Total</b>		<b>188</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>
93	Benefit & Transfer Payments	Contributions paid	77	77	77	77	77	77
0		Discretionary Relief	39	0	0	0	0	0
45		Grants	33	40	40	40	40	40
0		Irrecoverable V A T	26	26	26	26	26	26
425		Levies	408	408	408	408	408	408
6		Other Misc Payments	6	6	6	6	6	6
<b>569</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>588</b>	<b>556</b>	<b>556</b>	<b>556</b>	<b>556</b>	<b>556</b>
(31)	Reserve-Revenue Transfers	Bad Debts Provision	30	30	30	30	30	30
0		Reserve-Revenue Transfers	(4)	34	34	34	34	34
<b>(31)</b>	<b>Reserve-Revenue Transfers Total</b>		<b>26</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>64</b>
<b>5,430</b>	<b>Net Expenditure</b>		<b>5,899</b>	<b>7,025</b>	<b>7,172</b>	<b>6,933</b>	<b>6,900</b>	<b>6,835</b>
12,087	<b>Gross Service Expenditure</b>		12,936	12,654	12,745	12,594	12,765	12,701
(6,657)	<b>Gross Service Income</b>		(7,037)	(5,629)	(5,573)	(5,662)	(5,866)	(5,866)
<b>5,430</b>	<b>Net Service Expenditure</b>		<b>5,899</b>	<b>7,025</b>	<b>7,172</b>	<b>6,933</b>	<b>6,900</b>	<b>6,835</b>
(3,471)	Commercial Estates		(3,587)	(2,729)	(2,580)	(2,760)	(2,995)	(3,020)
4,905	Corporate Finance		5,136	5,333	5,266	5,347	5,459	5,360
705	Democratic & Elections		831	866	860	733	741	750
305	Environmental & Energy Mgt		219	204	273	279	285	290
618	Facilities Management		865	862	880	835	884	903
950	Finance		795	783	798	811	825	839
82	Head of Resources		106	108	110	112	114	117
414	Human Resources		589	507	487	494	500	507
207	Legal		224	224	224	224	224	224
59	Procurement		62	48	35	36	37	39
23	Public Conveniences		6	6	6	6	6	6
633	Risk Management		653	811	813	816	818	820
<b>5,430</b>	<b>Net Service Expenditure</b>		<b>5,899</b>	<b>7,025</b>	<b>7,172</b>	<b>6,933</b>	<b>6,900</b>	<b>6,835</b>

**Table 11**

Actuals 2019/20	Head of Service	Head of Leisure & Health	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
(5,892)	Income & Fees	Fees & charges	(6,405)	(4,474)	(4,905)	(5,073)	(5,253)	(5,255)
0		Government grants	0	0	0	0	0	0
(74)		Other grants and contributions	(49)	(55)	(54)	(55)	(56)	(61)
(5)		Rent	(5)	(5)	(5)	(5)	(5)	(5)
(716)		Sales	(785)	(533)	(790)	(800)	(800)	(800)
<b>(6,687)</b>	<b>Income &amp; Fees Total</b>		<b>(7,244)</b>	<b>(5,067)</b>	<b>(5,755)</b>	<b>(5,933)</b>	<b>(6,115)</b>	<b>(6,122)</b>
10	Employees	Hired Staff	0	0	0	0	0	0
205		National Insurance	209	212	219	226	234	242
17		Other staff costs	(99)	(101)	(103)	(105)	(107)	(107)
407		Pension	463	473	483	493	503	513
3		Recruitment	77	79	79	82	82	82
3,737		Salary	3,770	3,450	3,727	3,807	3,888	3,970
0		Services	0	0	0	0	0	0
22		Training	0	0	0	0	0	0
5		Uniform & laundry	11	7	11	11	11	11
<b>4,407</b>	<b>Employees Total</b>		<b>4,430</b>	<b>4,120</b>	<b>4,415</b>	<b>4,514</b>	<b>4,611</b>	<b>4,710</b>
519	Buildings	Energy Costs	629	556	590	590	590	590
27		Ground Maintenance Costs	14	14	15	14	14	14
109		Premises Cleaning	117	122	117	117	117	117
481		Rents Payable	468	484	498	512	527	543
238		Repairs & Maintenance	190	149	190	190	190	190
91		Water Services	83	101	83	83	83	83
<b>1,464</b>	<b>Buildings Total</b>		<b>1,500</b>	<b>1,426</b>	<b>1,492</b>	<b>1,505</b>	<b>1,520</b>	<b>1,536</b>
12	Supplies & Services	Catering	17	17	17	17	17	17
83		Communication and computing	78	58	82	80	80	80
526		Equipment, furniture & materials	514	(511)	(785)	(816)	(860)	(860)
141		Office expenses	142	111	112	112	112	112
0		Premises Cleaning	0	0	0	0	0	0
296		Services	210	231	254	275	275	275
<b>1,058</b>	<b>Supplies &amp; Services Total</b>		<b>960</b>	<b>(94)</b>	<b>(321)</b>	<b>(332)</b>	<b>(376)</b>	<b>(377)</b>
0	Transport	Contract Hire & operating leases	0	0	0	0	0	0
8		Mileage Allowance	10	9	9	9	9	9
14		Operating Costs	9	8	9	9	9	9
2		Public Transport	0	0	0	0	0	0
<b>24</b>	<b>Transport Total</b>		<b>19</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
0	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0
0		Irrecoverable V A T	70	70	70	70	70	70
<b>0</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
0	Renewals Fund Contribution	Renewals Fund Contribution	50	50	50	50	50	50
<b>0</b>	<b>Renewals Fund Contribution Total</b>		<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>267</b>	<b>Net Expenditure</b>		<b>(215)</b>	<b>522</b>	<b>(30)</b>	<b>(108)</b>	<b>(221)</b>	<b>(114)</b>
<b>6,954</b>	<b>Gross Service Expenditure</b>		<b>7,029</b>	<b>5,589</b>	<b>5,725</b>	<b>5,825</b>	<b>5,893</b>	<b>6,008</b>
<b>(6,687)</b>	<b>Gross Service Income</b>		<b>(7,244)</b>	<b>(5,067)</b>	<b>(5,755)</b>	<b>(5,933)</b>	<b>(6,115)</b>	<b>(6,122)</b>
<b>267</b>	<b>Net Service Expenditure</b>		<b>(215)</b>	<b>522</b>	<b>(30)</b>	<b>(108)</b>	<b>(221)</b>	<b>(114)</b>
83	Head of Leisure & Health		85	87	89	90	92	94
187	One Leisure Active Lifestyles		156	187	154	148	145	146
(3)	Leisure Centres Corporate		(456)	249	(272)	(346)	(459)	(354)
<b>267</b>	<b>Grand Total</b>		<b>(215)</b>	<b>522</b>	<b>(30)</b>	<b>(108)</b>	<b>(221)</b>	<b>(114)</b>

Table 12

Actuals 2019/20	Head of Service	Head of Operations	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
0	Income & Fees	Commuted sums	(151)	(151)	(151)	(151)	(151)	(151)
(4,815)		Fees & charges	(4,828)	(4,282)	(4,913)	(5,425)	(5,465)	(5,490)
(29)		Government grants	(16)	(16)	(16)	(16)	(16)	(16)
(85)		Other grants and contributions	(133)	(95)	(118)	(119)	(120)	(121)
(56)		Rent	(32)	(32)	(32)	(32)	(32)	(32)
(188)		Sales	(209)	(180)	(200)	(200)	(200)	(200)
<b>(5,174)</b>	<b>Income &amp; Fees Total</b>		<b>(5,368)</b>	<b>(4,755)</b>	<b>(5,429)</b>	<b>(5,942)</b>	<b>(5,983)</b>	<b>(6,009)</b>
0	Employees	Employee Insurance	0	0	0	0	0	0
555		Hired Staff	209	204	204	204	204	204
340		National Insurance	363	371	382	397	411	423
165		Other staff costs	143	148	148	148	148	148
621		Pension	740	748	767	783	799	815
6		Recruitment	0	0	0	0	0	0
3,804		Salary	4,286	4,320	4,380	4,514	4,607	4,698
0		Services	0	0	0	0	0	0
16		Severance payments	0	0	0	0	0	0
6		Training	1	1	1	1	1	1
47		Uniform & laundry	32	32	32	32	32	32
<b>5,561</b>	<b>Employees Total</b>		<b>5,773</b>	<b>5,824</b>	<b>5,913</b>	<b>6,079</b>	<b>6,202</b>	<b>6,322</b>
49	Buildings	Energy Costs	45	43	43	43	43	43
0		Ground Maintenance Costs	1	1	1	1	1	1
5		Premises Cleaning	11	11	11	11	11	11
0		Premises Insurance	0	0	0	0	0	0
4		Rates	0	0	0	0	0	0
7		Rents	13	13	13	13	13	13
316		Rents Payable	327	337	347	357	368	379
171		Repairs & Maintenance	256	252	253	307	289	294
26		Water Services	33	33	33	33	33	33
<b>579</b>	<b>Buildings Total</b>		<b>686</b>	<b>690</b>	<b>701</b>	<b>765</b>	<b>758</b>	<b>774</b>
1	Supplies & Services	Catering	0	0	0	0	0	0
125		Communication and computing	32	32	32	32	32	32
416		Equipment, furniture & materials	476	441	441	441	441	441
10		Insurance - service related	4	4	4	4	4	4
44		Office expenses	66	66	66	66	66	66
6		Premises Cleaning	0	0	0	0	0	0
1		Repairs & Maintenance	0	0	0	0	0	0
549		Services	278	698	643	693	743	743
<b>1,152</b>	<b>Supplies &amp; Services Total</b>		<b>857</b>	<b>1,241</b>	<b>1,186</b>	<b>1,236</b>	<b>1,286</b>	<b>1,286</b>
8	Transport	Contract Hire & operating leases	18	18	18	18	18	18
1		Mileage Allowance	4	4	4	4	4	4
896		Operating Costs	898	906	906	906	906	906
(42)		Pool Car	3	3	3	3	3	3
3		Public Transport	1	1	1	1	1	1
9		Vehicle Insurance	1	1	1	1	1	1
0		Other Transport Costs	0	0	0	0	0	0
<b>874</b>	<b>Transport Total</b>		<b>924</b>	<b>932</b>	<b>932</b>	<b>932</b>	<b>932</b>	<b>932</b>
0	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0
427		Grants	471	471	471	471	471	471
0		Irrecoverable V A T	4	4	4	4	4	4
<b>427</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>475</b>	<b>475</b>	<b>475</b>	<b>475</b>	<b>475</b>	<b>475</b>
<b>3,419</b>	<b>Net Expenditure</b>		<b>3,347</b>	<b>4,407</b>	<b>3,777</b>	<b>3,546</b>	<b>3,670</b>	<b>3,779</b>

8,593	<b>Gross Service Expenditure</b>	8,715	9,162	9,207	9,488	9,653	9,789
(5,174)	<b>Gross Service Income</b>	(5,368)	(4,755)	(5,429)	(5,942)	(5,983)	(6,009)
<b>3,419</b>	<b>Net Service Expenditure</b>	<b>3,347</b>	<b>4,407</b>	<b>3,777</b>	<b>3,546</b>	<b>3,670</b>	<b>3,779</b>

(31)	Car Park - On Street	(132)	(132)	(132)	(132)	(132)	(132)
(1,441)	Car Parks - Off Street	(1,445)	(547)	(1,071)	(1,487)	(1,494)	(1,473)
(64)	CCTV	(89)	(91)	(114)	(115)	(116)	(117)
315	CCTV Shared Service	233	219	228	236	245	254
281	Countryside	255	317	168	154	127	111
253	Fleet Management	300	311	315	320	325	330
614	Green Spaces	499	479	533	548	562	577
87	Head of Operations	83	88	90	91	93	95
(15)	Markets	(35)	(43)	(41)	(39)	(37)	(35)
272	Parks and Open Spaces	354	330	335	340	345	350
791	Street Cleansing	804	740	775	795	816	832
2,357	Waste Management	2,518	2,736	2,692	2,835	2,936	2,988
<b>3,419</b>	<b>Net Service Expenditure</b>	<b>3,347</b>	<b>4,407</b>	<b>3,777</b>	<b>3,546</b>	<b>3,670</b>	<b>3,779</b>

Table 13

Actuals 2019/20	Head of Service	Head of ICT	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
<b>£ 000</b>			<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
(3,817)	Income & Fees	Fees & charges	(1,427)	(1,427)	(1,440)	(1,440)	(1,440)	(1,440)
0		Government grants	0	0	0	0	0	0
(2,999)		Other grants and contributions	(3,057)	(3,052)	(3,078)	(3,078)	(3,078)	(3,078)
(236)		Sales	(5)	(5)	(5)	(5)	(5)	(5)
(7,052)	<b>Income &amp; Fees Total</b>		<b>(4,489)</b>	<b>(4,484)</b>	<b>(4,523)</b>	<b>(4,523)</b>	<b>(4,523)</b>	<b>(4,523)</b>
0	Employees	Employee Insurance	0	0	0	0	0	0
367		Hired Staff	74	74	74	74	74	74
253		National Insurance	250	256	263	270	278	285
53		Other staff costs	37	37	37	37	37	37
419		Pension	431	436	444	453	462	471
19		Recruitment	10	10	10	10	10	10
2,481		Salary	2,442	2,449	2,497	2,547	2,597	2,649
0		Services	0	0	0	0	0	0
8		Severance payments	0	0	0	0	0	0
56		Training	44	44	44	44	44	44
0		Uniform & laundry	1	1	1	1	1	1
3,656	<b>Employees Total</b>		<b>3,290</b>	<b>3,371</b>	<b>3,371</b>	<b>3,437</b>	<b>3,503</b>	<b>3,571</b>
1	Buildings	Rents Payable	0	0	0	0	0	0
12		Repairs & Maintenance	6	6	6	6	6	6
13	<b>Buildings Total</b>		<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
1	Supplies & Services	Catering	1	1	1	1	1	1
745		Communication and computing	683	782	782	782	782	782
4,438		Equipment, furniture & materials	2,571	2,540	2,548	2,548	2,548	2,548
0		Expenses	0	0	0	0	0	0
0		Insurance - service related	0	0	0	0	0	0
(30)		Office expenses	12	12	12	12	12	12
410		Services	42	65	65	65	65	65
0		Telecommunications	0	0	0	0	0	0
5,563	<b>Supplies &amp; Services Total</b>		<b>3,309</b>	<b>3,400</b>	<b>3,408</b>	<b>3,408</b>	<b>3,408</b>	<b>3,408</b>
0	Transport	Contract Hire & operating leases	1	1	1	1	1	1
14		Mileage Allowance	10	10	10	10	10	10
0		Operating Costs	0	0	0	0	0	0
3		Pool Car	4	4	4	4	4	4
8		Public Transport	8	8	8	8	8	8
1		Vehicle Insurance	0	0	0	0	0	0
27	<b>Transport Total</b>		<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
0	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0
0		Other Misc Payments	0	0	0	0	0	0
0	<b>Benefit &amp; Transfer Payments Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2,206	<b>Net Expenditure</b>		<b>2,139</b>	<b>2,253</b>	<b>2,286</b>	<b>2,351</b>	<b>2,418</b>	<b>2,486</b>
9,258	<b>Gross Service Expenditure</b>		<b>6,628</b>	<b>6,737</b>	<b>6,809</b>	<b>6,874</b>	<b>6,941</b>	<b>7,009</b>
(7,052)	<b>Gross Service Income</b>		<b>(4,489)</b>	<b>(4,484)</b>	<b>(4,523)</b>	<b>(4,523)</b>	<b>(4,523)</b>	<b>(4,523)</b>
2,206	<b>Net Service Expenditure</b>		<b>2,139</b>	<b>2,253</b>	<b>2,286</b>	<b>2,351</b>	<b>2,418</b>	<b>2,486</b>



Table 14

Actuals 2019/20	Head of Service	Corporate Leadership	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
0	≡ Employees	Hired Staff	0	0	0	0	0	0
65		National Insurance	51	53	54	55	56	58
0		Other staff costs	0	0	0	0	0	0
100		Pension	76	78	80	81	83	84
0		Recruitment	0	0	0	0	0	0
579		Salary	439	451	460	469	479	488
0		Services	0	0	0	0	0	0
20		Severance payments	0	0	0	0	0	0
4		Training	9	9	9	9	9	9
769	<b>Employees Total</b>		<b>574</b>	<b>591</b>	<b>603</b>	<b>614</b>	<b>627</b>	<b>639</b>
1	≡ Buildings	Rents Payable	0	0	0	0	0	0
1	<b>Buildings Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1	≡ Supplies & Services	Catering	1	1	1	1	1	1
3		Communication and computing	1	1	1	1	1	1
0		Election Costs	0	0	0	0	0	0
3		Equipment, furniture & materials	0	0	0	0	0	0
20		Office expenses	18	18	18	18	18	18
0		Other staff costs	0	0	0	0	0	0
7		Services	5	5	5	5	5	5
33	<b>Supplies &amp; Services Total</b>		<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
0	≡ Transport	Contract Hire & operating leases	0	0	0	0	0	0
2		Mileage Allowance	2	2	2	2	2	2
0		Operating Costs	0	0	0	0	0	0
0		Pool Car	0	0	0	0	0	0
3		Public Transport	1	1	1	1	1	1
5	<b>Transport Total</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
0	≡ Benefit & Transfer Payments	Grants	0	0	0	0	0	0
1		Other Misc Payments	1	1	1	1	1	1
1	<b>Benefit &amp; Transfer Payments Total</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
808	<b>Net Expenditure</b>		<b>603</b>	<b>619</b>	<b>631</b>	<b>643</b>	<b>656</b>	<b>668</b>
808	<b>Gross Service Expenditure</b>		<b>603</b>	<b>619</b>	<b>631</b>	<b>643</b>	<b>656</b>	<b>668</b>
0	<b>Gross Service Income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
808	<b>Net Service Expenditure</b>		<b>603</b>	<b>619</b>	<b>631</b>	<b>643</b>	<b>656</b>	<b>668</b>

**Table 15**

Actuals 2019/20	Head of Service	Programme Delivery Manager	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
0	Employees	National Insurance	6	6	6	7	7	7
0		Pension	9	9	10	10	10	10
0		Recruitment	0	0	0	0	0	0
0		Salary	54	55	56	57	58	59
0	<b>Employees Total</b>		<b>69</b>	<b>70</b>	<b>72</b>	<b>73</b>	<b>75</b>	<b>76</b>
0	Supplies & Services	Office expenses	0	0	0	0	0	0
19		Services	0	0	0	0	0	0
19	<b>Supplies &amp; Services Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	<b>Transport Total</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
	<b>19 Net Expenditure</b>		<b>70</b>	<b>71</b>	<b>72</b>	<b>74</b>	<b>75</b>	<b>77</b>

**Table 16**

Actuals 2019/20	Head of Service	Housing Manager	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
6	≡ Employees	Hired Staff	0	0	0	0	0	0
6		National Insurance	11	13	13	13	14	14
11		Pension	20	20	21	21	22	22
63		Salary	116	117	120	122	125	127
0		Services	0	0	0	0	0	0
86	<b>Employees Total</b>		<b>148</b>	<b>150</b>	<b>153</b>	<b>156</b>	<b>160</b>	<b>163</b>
0	≡ Supplies & Services	Catering	0	0	0	0	0	0
1		Communication and computing	0	1	1	1	1	1
0		Office expenses	0	1	1	1	1	1
27		Services	0	0	0	0	0	0
28	<b>Supplies &amp; Services Total</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
0	≡ Transport	Mileage Allowance	1	0	0	0	0	0
0		Pool Car	0	0	0	0	0	0
0		Public Transport	0	0	0	0	0	0
0	<b>Transport Total</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
24	≡ Benefit & Transfer Payments	Grants	28	28	28	28	28	28
24	<b>Benefit &amp; Transfer Payments Total</b>		<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
139	<b>Net Expenditure</b>		<b>177</b>	<b>180</b>	<b>183</b>	<b>186</b>	<b>189</b>	<b>192</b>

**Table 17**

Actuals 2019/20	Head of Service	Planning Policy Manager	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
£ 000			£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
(483)	Income & Fees	Fees & charges	(364)	(270)	(271)	(222)	(223)	(224)
(86)		Government grants	(20)	(20)	(20)	(20)	(20)	(20)
0		Rent	0	0	0	0	0	0
(0)		Sales	(1)	(0)	(0)	(0)	(0)	(0)
<b>(569)</b>	<b>Income &amp; Fees Total</b>		<b>(384)</b>	<b>(291)</b>	<b>(292)</b>	<b>(243)</b>	<b>(244)</b>	<b>(245)</b>
0	Employees	Hired Staff	0	0	0	0	0	0
55		National Insurance	69	72	74	76	78	80
0		Other staff costs	0	1	1	1	1	1
99		Pension	120	122	124	127	129	132
10		Recruitment	0	0	0	0	0	0
576		Salary	693	704	718	733	748	763
0		Services	0	0	0	0	0	0
0		Training	0	0	0	0	0	0
(0)		Uniform & laundry	0	0	0	0	0	0
<b>740</b>	<b>Employees Total</b>		<b>883</b>	<b>899</b>	<b>918</b>	<b>937</b>	<b>956</b>	<b>976</b>
1	Buildings	Rents Payable	2	2	2	2	2	2
0		Repairs & Maintenance	0	0	0	0	0	0
<b>1</b>	<b>Buildings Total</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
0	Supplies & Services	Catering	0	0	0	0	0	0
6		Communication and computing	6	14	15	15	16	16
0		Election Costs	0	0	0	0	0	0
6		Equipment, furniture & materials	4	5	5	5	5	5
0		Expenses	0	0	0	0	0	0
12		Office expenses	16	15	15	15	15	15
485		Services	266	99	147	97	128	128
<b>510</b>	<b>Supplies &amp; Services Total</b>		<b>293</b>	<b>133</b>	<b>182</b>	<b>132</b>	<b>164</b>	<b>164</b>
1	Transport	Mileage Allowance	1	1	1	1	1	1
1		Pool Car	1	1	1	1	1	1
2		Public Transport	2	2	2	2	2	2
<b>3</b>	<b>Transport Total</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
0	Benefit & Transfer Payments	Contributions paid	0	0	0	0	0	0
138		Grants	45	45	45	45	45	45
<b>138</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>822</b>	<b>Net Expenditure</b>		<b>842</b>	<b>791</b>	<b>858</b>	<b>877</b>	<b>927</b>	<b>946</b>
<b>1,392</b>	<b>Gross Service Expenditure</b>		<b>1,227</b>	<b>1,082</b>	<b>1,150</b>	<b>1,119</b>	<b>1,171</b>	<b>1,191</b>
<b>(569)</b>	<b>Gross Service Income</b>		<b>(384)</b>	<b>(291)</b>	<b>(292)</b>	<b>(243)</b>	<b>(244)</b>	<b>(245)</b>
<b>822</b>	<b>Net Service Expenditure</b>		<b>842</b>	<b>791</b>	<b>858</b>	<b>877</b>	<b>927</b>	<b>946</b>
173	Economic Development		185	184	188	192	197	200
611	Planning Policy		633	584	646	661	707	722
22	Public Transport		24	24	24	24	24	24
16	Transportation Strategy		0	0	0	0	0	0
<b>822</b>	<b>Net Service Expenditure</b>		<b>842</b>	<b>791</b>	<b>858</b>	<b>877</b>	<b>927</b>	<b>946</b>

## 3.0 CAPITAL

3.1 The detailed Draft Capital Programme for the period 2021/22 to 2025/26 is shown in **Table 18** below, along with the sources of finance. The revenue implications of the individual capital proposals are built into the individual revenue budgets and the impact of the proposed programme on the 2021/22 Minimum Revenue Position (MRP) is £2.76m. Over the remainder of the MTFs the MRP is cost neutral, based on changing the funding assumptions for the capital programme and seeking external contributions or grant funding. The ongoing burden in the revenue account for MRP is unsustainable.

**Table 18**

Capital Programme	Budget	Medium Term Financial Strategy				
	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
<b>Gross Expenditure</b>						
<b>Chief Operating Officer</b>						
Disabled Facilities Grants	2,250	1,850	1,800	1,650	1,600	1,600
Conservation Area Appraisal Programme		47	47	47	47	47
<b>Corporate Resources</b>						
A14 Upgrade	200	200	200	200	200	200
Huntingdon Redevelopment (rephased)	8,500	0	7,595			
St Ives Redevelopment				6,800	8,500	1,700
<b>Leisure and Health</b>						
One Leisure Improvements	306	296	285	300	0	0
Replacement Corporate Scanners		110				
<b>Assistance Director of Resources</b>						
Alms Close Development	665					
Oak Tree Remedial Works	1,000					
Energy Efficiency Works at Commercial Properties	25	10	10	0		
VAT Partial Exemption	59	24	21	21	18	18
Replacement Building Management System (BMS) - PFH		115				
Capita Upgrade and 3D Secure2 SCA and payment portal Upgrade		15				
Commercial estates capital for works, enhancements and re-lettings		565	250			
<b>3C ICT</b>						
Hardware Replacement			130	130		
Generator - 3ICT Backup	27					
Data Centre Storage	23					
Wi-Fi access points	12					
Mobile Phones Replacement		65				
Telephony Replacement		200	8	8	8	8
Extend compute capacity in shared data centre		39				
Information@Work Consolidation		20				
GIS Test Environment		16				
<b>Operations</b>						
Civil Parking Enforcement	217					
Fencing	12	13	13	13	13	
Lighting - Loves Farm Footpath	16					
Wheeled Bins	238	254	254	254	254	254
Vehicle Fleet Replacement	1,199	1,396	1,085	1,457	741	
Play Equipment	53	30	30	30	30	
Secure cycle storage	58	88				
Parking Strategy	37	80				
District wide signage	70					
Replacement Corporate Scanners		25				
Additional EV Charging Points		30				
Play Area Fencing						
Hinchingbrook Country Park	1,550					
<b>Transformation</b>						
AV Equipment	30	15	15			
Customer Portal and Call Centre Software	30					
Voice Bots	34					
Customer Relationship Management		16				
<b>Economic Development</b>						
Future High Streets - St Neots		12,300				
Market Towns Programme		350	675	550	150	50
<b>Total Gross Expenditure</b>	<b>16,611</b>	<b>18,169</b>	<b>12,418</b>	<b>11,460</b>	<b>11,561</b>	<b>3,877</b>

Capital Programme	Budget 2020/21 £000s	Medium Term Financial Strategy				
		2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
<b>Financing</b>						
<b>Grants and Contributions</b>						
DFGs	(1,300)	(1,350)	(1,350)	(1,300)	(1,300)	(1,300)
Pathfinder House Reception						
Wheeled bins	(93)	(101)	(101)	(101)	(101)	(101)
Combined Authority/MHCLG/CIL Grant Funding		(12,650)	(675)	(550)	(150)	(50)
Huntingdon Decvelopment			(7,595)			
One Leisure Huntingdon Changing Rooms						
Synthetic Pitch						
One Leisure 3G Ramsey						
Back Office Reserve						
<b>Total Grants and Contributions</b>	<b>(1,393)</b>	<b>(14,101)</b>	<b>(9,721)</b>	<b>(1,951)</b>	<b>(1,551)</b>	<b>(1,451)</b>
<b>Capital Receipts</b>						
Sst Ives Redevelopment			0	(6,800)	(8,500)	(1,700)
Housing Clawback Receipts	(500)	(500)	(450)	(350)	(300)	(300)
CIS		(565)	(250)			
<b>Total Capital Receipts</b>	<b>(500)</b>	<b>(1,065)</b>	<b>(700)</b>	<b>(7,150)</b>	<b>(8,800)</b>	<b>(2,000)</b>
<b>Net to be funded by borrowing (Internal)</b>	<b>15,218</b>	<b>3,003</b>	<b>1,997</b>	<b>2,359</b>	<b>1,210</b>	<b>426</b>

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

## 4.0 TREASURY MANAGEMENT

4.1 The following gives a high level commentary on the Treasury Management activity that the Council is expecting to undertake during 2021/22.

- **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 £1,300; 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 0.10%.

- **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 2021/22, it is forecast that the total balances in respect of long-term borrowing will be £39.6m. The estimated cost of long term borrowing in 2021/22 is £1.265m.

4.2 During 2021/22 no long-term borrowing has been anticipated for any Commercial Investment/Development Strategy, due to the uncertainty around any future acquisition for yield, together with Government prohibiting any borrowing from PWLB for commercial gain. Any

redevelopment within the capital programme has been assumed that alternative sources of funding will be explored to enable delivery of the future capital programme.

## 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 19** and **20** provide a more detailed breakdown of the CFR between the Council's mainstream Capital programme and the Capital Investment Strategy (CIS) respectively.

**Table 19**

Capital Financing Requirement - Total	Estimate	Medium Term Financial Strategy				
	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2024/25 £000s
Opening Capital Financing Requirement	71,824	83,717	83,958	83,253	82,829	81,143
Closing Capital Financing Requirement	83,717	83,958	83,253	82,829	81,143	78,774
Increase/(Decrease) in Underlying Need to Borrow	11,892	241	(705)	(424)	(1,685)	(2,370)

**Table 20**

Capital Financing Requirement - General Capital Programme	Estimate	Medium Term Financial Strategy				
	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/24
Opening Capital Financing Requirement	44,443	56,336	56,577	55,872	55,448	53,762
Capital Investment						
Property, Plant and Equipment	12,215	2,873	9,493	9,060	9,611	2,027
Investment Properties	1,665	565	250	0	0	0
Intangible Assets	281	31	0	0	0	0
Revenue Expenditure Funded From Capital Under Statute	2,450	14,700	2,675	2,400	1,950	1,850
Repayable Advances	0	0	0	0	0	0
<b>Additional Requirement</b>	<b>16,611</b>	<b>18,169</b>	<b>12,418</b>	<b>11,460</b>	<b>11,561</b>	<b>3,877</b>
<b>Sources of Finance</b>						
Capital Receipts	(820)	(1,065)	(700)	(7,150)	(8,800)	(2,000)
Capital Grants and Contributions	(1,393)	(14,101)	(9,721)	(1,951)	(1,551)	(1,451)
Use of Capital Grants Unapplied	0					
Direct Revenue Financing	0					
Minimum Revenue Provision	(2,506)	(2,761)	(2,702)	(2,783)	(2,895)	(2,796)
	(4,719)	(17,927)	(13,123)	(11,884)	(13,246)	(6,247)
<b>Closing Capital Financing Requirement</b>	<b>56,336</b>	<b>56,577</b>	<b>55,872</b>	<b>55,448</b>	<b>53,762</b>	<b>51,392</b>
<b>Increase/(Decrease) in Underlying Need to Borrow</b>	<b>11,892</b>	<b>241</b>	<b>(705)</b>	<b>(424)</b>	<b>(1,685)</b>	<b>(2,370)</b>



**Table 20**

Capital Financing Requirement - Commercial Investment Strategy	Estimate	Medium Term Financial Strategy				
	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
Opening Capital Financing Requirement Capital Investment	27,381	27,381	27,381	27,381	27,381	27,381
Additional Requirement	0	0	0	0	0	0
Sources of Finance						
	0	0	0	0	0	0
Closing Capital Financing Requirement	27,381	27,381	27,381	27,381	27,381	27,381
Increase/(Decrease) in Underlying Need to Borrow	0	0	0	0	0	0

## 6.0 Formal 2021/22 Council Tax Resolutions

6.1 The formal 2021/22 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 8 December 2020 (and subsequent publication as a key decision).

**The tax base (T) which is the amount anticipated from a District Council Tax of £1 is £63,355**

- b) That the following amounts calculated by the Council for 2021/22 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 **£79,453,376**

***Gross revenue expenditure including benefits, Town/Parish Precepts***

453

- (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 **£62,681,424**

***Revenue income including reimbursement of benefits, specific and general grants, use of reserves and any transfers from the collection fund.***

- (iii) the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above in accordance with Section 31A (4) of the Act **£ 16,771,852**

***This is the "Council Tax Requirement" including Parish/Town Precepts (item i minus item ii). It is the cash sum to be funded from District, Town and Parish Council Taxes.***

- (iv) the Council Tax requirement for 2021/22 divided by the tax base (T) in accordance with Section 31B (1) of the Act **£264.73**

***District plus average Town/Parish Council Tax (item iii divided by District taxbase)***

- (v) the aggregate of all "Special Items" referred to in Section 34(1) of the Act. **£7,530,930**

***The total value of Parish/Town precepts included in i and iii above.***

- (vi) the Basic Amount of Council Tax for 2021/22 being item iv less item v divided by the tax base (T) in accordance with Section 34 (2) of the Act. **£145.86**

***The District Council's Band D Tax for 2021/22***

- (vii) the basic amounts of Council Tax for 2021/22 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 2021/22 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 2021/22 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 2021/22 is not excessive.  
***The basic amount at b(vi) above is not excessive as defined by the Government.***

## 6.2 Tax Base 2021/22

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 2021/22 be 63,355 and shall be as listed below for each Town or Parish of the District:

Abbots Ripton	132
Abbotsley	264
Alconbury	578
Alconbury Weston	297
Alwalton	122
Barham & Woolley	30
Bluntisham	753
Brampton	2356
Brington & Molesworth	179
Broughton	95
Buckden	1219
Buckworth	53
Bury	648
Bythorn & Keyston	153
Catworth	163
Chesterton	67
Colne	379
Conington	76
Covington	46
Denton & Caldecote	30
Earith	605
Easton	77
Ellington	237
Elton	288
Farcet	534
Fenstanton	1313
Folksworth & Washingley	348
Glatton	134
Godmanchester	2820
Grafham	239
Great & Little Gidding	123
Great Gransden	473
Great Paxton	366
Great Staughton	330
Haddon	21
Hail Weston	249

Hamerton & Steeple	
Gidding	51
Hemingford Abbots	327
Hemingford Grey	1282
Hilton	450
Holme	250
Holywell-cum-Needingworth	996
Houghton & Wyton	784
Huntingdon	7625
Kimbolton	593
Kings Ripton	84
Leighton Bromswold	78
Little Paxton	1538
Morborne	12
Offord Cluny & Offord	
D'Arcy	542
Old Weston	105
Oldhurst	100
Perry	267
Pidley-cum-Fenton	183
Ramsey	2972
Sawtry	1939
Sibson-cum-Stibbington	230
Somersham	1403
Southoe & Midloe	159
Spaldwick	249
St.Ives	6007
St.Neots	11084
Stilton	768
Stow Longa	74
The Stukeleys	900
Tilbrook	126
Toseland	39
Upton and Coppingford	90
Upwood and the Raveleys	441
Warboys	1575
Waresley-cum-Tetworth	142
Water Newton	38
Winwick	50
Wistow	231
Woodhurst	152
Woodwalton	84
Wyton-on-the-Hill	437
Yaxley	2949
Yelling	152
<b>Total</b>	<b>63,355</b>

**6.3 2021/22 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 24 February when the Council receives the precepts from Cambridgeshire County Council, Fire and Police Authorities.***

**6.4 Total 2021/22 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 24 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 2021 to March 2022 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 2021/22 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 2021/22 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 2020/21 Quarter 3 Finance Performance Report is reporting a forecasted overspend of £799k in respect of service expenditure. This is due to the impact of the Covid 19 pandemic on the Council's finances. The council has received significant financial support from Government so far in 2020/21, receiving £2.2m in emergency response funding; £2.6m in Income Compensation for the closures in the retail, leisure and hospitality sectors, together with approx. £500k in reduction in salary costs from furloughing staff relating to those areas, where redeployment was not possible.

- 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 (£0.9m and £3.7m respectively) have been developed by officers and Executive Councillors have reviewed and individually agreed each proposal. As ever, the Finance Team has provided the central support to services and the whole process has been overseen by the Chief Finance Officer (S151 officer).

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

- Will continue to review services and developed funding proposals that help to mitigate the current uncertainty relating to impact of the Covid 19 pandemic to the economy and only a one year focus on the spending review from Government, and
- the Executive has chosen to not increase Council Tax for 2021/22 considering the financial uncertainty not only within Local Government, but also in the wider community.

### 8.3 Challenges Facing the Council

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



## Public Sector post Covid Funding

8.3.2 Not only has the public sector had to endure numerous years of reduced funding, with continued uncertainty around the Fair Funding and Business Rates Review. The Public Sector, has in the last 10 months, diverted resources to support its community in its time of need, during an unprecedented turn of events, due to the Covid 19 pandemic. In the short-term, one-off funding from Government has provided a much-needed financial stop gap, but the on-going financial impact in to 2021/22 and beyond is unknown. More now than ever the Council has to take proactive action to effectively manage the financial consequences of the pandemic; exposure to the growth and decline of the economy as a major source of funding (Council Tax and Business Rates), puts all local authorities at risk and financial vulnerable.

8.3.3 Following the 2021/22 provisional settlement announced in December 2020, **Table 21** clearly shows that the grant funding streams for the Councils MTFs for 2021/22 and for the period up to 2025/26 has moved when compared to the preceding year. For:

- **2021/22** the total grant included in last year's MTFs was £9.1m; following the provisional settlement this has now increased to £10.2m; a increase of £1.1m (24.6%). This is mainly due to a one-off increase in NHB of £1.13m; change in assumptions for NDR reduction of £134k; Fair funding delayed by one year increase of £81k .
- **2022/23** the total grant in last year's MTFs was £8.7m, this has now increased to £9.1m; this reflects an increase of £0.4m. Which mainly due to changing assumptions for Fair Funding Review and NDR retention.
- **2023/24 onwards** the Councils net grants position continues to decline until 2023/24 but starts to recover in 2024/25, mainly due to assuming a net benefit to NDR retention.

Between 2021/22 and 2025/26, the net reduction in grant is £0.94m (9.2%).

Table 21	Comparison of Grant Assumptions: 2020/21 Budget & 2021/22 Budget and MTFs (2022/23 to 2024/25)					
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<b>2020/21 Budget &amp; MTFs</b>						
NDR	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	(83)	(163)	(245)	(326)	(408)	
NHB	2,212	881	427	0	0	
<b>Total</b>	<b>10,382</b>	<b>9,108</b>	<b>8,710</b>	<b>8,343</b>	<b>8,277</b>	
<b>2021/22 Budget &amp; MTFs</b>						
NDR+S31		6,080	6,644	6,829	7,096	7,370
S31		2,176	2,213	2,250	2,287	2,287
RSG		0	0	0	0	0
FFR Adjust		(82)	(163)	(245)	(326)	(408)
NHB		2,014	427	0	0	0
<b>Total</b>		<b>10,188</b>	<b>9,121</b>	<b>8,834</b>	<b>9,057</b>	<b>9,249</b>
<b>Variance between Grant Assumptions</b>						
NDR	0	(731)	(305)	(261)	(10)	
S31	(824)	597	634	671	708	
RSG	0	0	0	0	0	
FFR Adjust	(83)	81	82	81	82	
NHB	0	1,133	0	0	0	
<b>Total</b>	<b>(907)</b>	<b>1,080</b>	<b>411</b>	<b>491</b>	<b>780</b>	
	%	%	%	%	%	
NDR	0.0	-10.7	-4.4	-3.7	-0.1	
S31	-52.2	37.8	40.2	42.5	44.8	
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	128.6	0.0	#DIV/0!	0.0	
<b>Total</b>	<b>-8.7</b>	<b>11.9</b>	<b>4.7</b>	<b>5.9</b>	<b>9.4</b>	

## Programme of Service Review

8.3.4 It is probably fair to say that all councils are undertaking some form of service review and seeking to ensure that services are provided with affordability and value for money at their core. As mentioned earlier, the Executive have reviewed their budgets, with significant emphasis on areas with continued unavoidable pressures into 21/22, Leisure, Parking and Commercial Rental Income.

## 8.4 Governance

8.4.1 Noted within the 2019/20 Annual Governance Statement (AGS) both the Executive Leader and the Managing Director consider not only internal controls, but also external factors:

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 July 2019, the Council's Acting Internal Audit Manager reported to the Corporate Governance Committee that the assurance given for the year to 31 March 2020 was:

".....that there was an **adequate** governance framework from which those charged with governance could gain reasonable assurance".

## 8.5 Risks

8.5.1 Because of the nature of the macro and microenvironment 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 overachieving 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%.

During the budget setting for 21/22, due to the unavoidable growth impacting the net expenditure, it was felt that the 15% threshold was not appropriate in the medium term, therefore a fixed General Fund Reserve has been proposed of £2.175m. This was based on the most immediate financial risks and the level of outcome, high, medium, or low, shown in **table 22** below.

		high	100%
		medium	50%
		low	25%
Outline of Risk	Financial Impact	Likely hood	Reserves provision required
Business Rates Reset	750,000	medium	375,000.0
Fair funding Impact	400,000	high	400,000.0
Council Tax Impact	650,000	high	650,000.0
Stock condition survey for Estates - compliance/repairs & maintenance	1,000,000	low	250,000.0
CIS - non rental of premises retail	1,000,000	medium	500,000.0
<b>Reserves required</b>			<b>2,175,000.0</b>

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 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 £0.9m. These savings cover a broad range of services; however as ever with savings they are dependent on market, management and political conditions prevailing at the time. It is therefore prudent to assume that some of these savings may not be achieved; a fair assumption is a 30% underachievement which equates to £270k.

- **Inflation**

With regard to:

- **Pay**  
The budget for 2021/22 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 £23.5m; a further 1% for sensitivity equates to £235k.
- **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 2021/22 includes a Business Rates budget of £1.32m. 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 £66k.
- **General Inflation**  
No general inflation has been included in the 2021/22 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 2021/22 assuming minimal borrowing cost for temporary borrowing (for non-CIS borrowing)

- **Reduced income: Fees and Charges**

Total fees and charges are £14.8m, therefore, for sensitivity analysis a 2% loss of income from fees and charges would amount to £296k. The largest income streams that are susceptible to variation include:

- Car Parks, £2.0m (Off-Street).
- Leisure Centres, £5m
- Commercial Estate, £4.8m
- Planning Fees, £1.89m

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

Total forecast CIS income is £4.8m; for sensitivity analysis purposes if there was a 5% loss of income from rental income due to reduction in occupancy this would equate to £0.240m.

- **Reduced income: New Homes Bonus**

For 2021/22 the Councils NHB is £2.1m; 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's is including a 5% reduction in NHB, reflecting £105k.

- **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 2021/22 the Council has taken a more prudent line by formulating its own assessment for NDR receipts (£5.1m excluding any Enterprise Zone growth) and only increased thereafter by 2.5% 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 2021/22 are £2.1m.

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

- NDR, the gap between the estimated income (£5.1m) and the safety net (£4.2m) is £0.9m; 5% sensitivity reduction will be applied giving £45k.
- S.31, a 5% sensitivity reduction will be applied giving £105k.

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 the current 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 £40k. 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. pandemics, 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 2021/22 is £1.142m; if there was a 10% increase in demand for each this would require an additional £114.2k. In addition, ICT has a budget totalling £2.2m, if there was say 7% increase in demand for this service this would amount to £154k of additional costs.

- **Council Tax**

The Council has chosen to not increase Council Tax this year; however an increase of 2.6% represents around £240k, 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 2021/22 Budget**

8.5.7 Considering the risks noted above and the stated budget assumptions, the accumulated total cash risk is £2.497m. However, it is highly unlikely that all these risks will occur at the same time, so it is fair to apply “sensitivity” to each risk and then model the likelihood of occurrence. **Table 23** shows this detailed analysis and in summary the additional pressure within 2021/22, based on the likelihood of occurrence, is as follows:

- Pessimistic view, additional pressure of: £1.2m
- Middle-View, additional pressure of: £0.8m
- Optimistic View, additional pressure of: £0.5m

Table 23		Sensitivity of Risks to 2021/22 Budget & Funding Options									
Risk		Costs Included in 2021/22 budget £000	Sensitivity Impact		Likelihood of Occurrence						
			+/-	Cost £000	Pessimistic		Middle-Way		Optimistic		
			Factor	£000	Factor	£000	Factor	£000			
Underachievement of Savings & Additional Income		897 Savings not achieved	25%	224	0.7	157	0.2	45	0.1	22	
Inflation	Pay	23,557 Pay increase from 1% to 2%	1%	236	0.6	142	0.3	71	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)	1,316 Business Rates vary due to change in liability etc	5%	66	0.2	13	0.3	20	0.5	33	
	Investment/Borrowing Costs	3 Difference between Borrowing at 3.0% to 3.25%	75%	2	0.2	0	0.5	1	0.3	1	
Reduced Income	Fees & Charges	(14,796) Reduction in income.	2%	296	0.3	89	0.4	118	0.3	89	
	CIS Income	(4,803) Reduction in income.	5%	240	0.3	72	0.4	96	0.3	72	
	New Homes Bonus	(2,014) Reduction in NHB following change to "needs" system and consequential redistribution.	25%	0	0.3	0	0.4	0	0.3	0	
			5%	101	0.3	30	0.4	40	0.3	30	
Government Grant	NDR - Difference between Safety Net and Budgeted Receipts	(912) Reduced NDR receipts.	10%	91	0.6	55	0.3	27	0.1	9	
	S.31 Grant	(2,176) Not all grant received.	5%	109	0.6	65	0.3	33	0.1	11	
	Collection Fund Surplus	(296) Collection Fund Deficit not as significant as forecast.	15%	44	0.6	26	0.3	13	0.1	4	
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	1,142 Increase in demand	10%	114	0.4	46	0.5	57	0.1	11	
	ICT	2,253 Additional service requirement	7%	158	0.8	126	0.1	16	0.1	16	
<b>Total Sensitivity</b>				<b>2,497</b>		<b>1,192</b>		<b>797</b>		<b>508</b>	
<b>OVERALL TEST FOR BUDGETARY RISK</b>											
Estimated General Fund (Unallocated) Reserve at 31 March 2021						2,175		2,175		2,175	
Budget Surplus Reserve at 31 March 2021						4,760		4,760		4,760	
<b>Total Estimated Reserves at 31 March 2021 (*)</b>						<b>6,935</b>		<b>6,935</b>		<b>6,935</b>	
<b>Conclusion of Sensitivity i.e. Estimated Reserves less Sensitivity</b>											
- Upon comparing 'Total Sensitivity' to Total Estimated Reserves, do Reserves remain positive? (*)						<b>Yes</b>		<b>Yes</b>		<b>Yes</b>	
- Upon comparing 'Total Sensitivity' to the Minimum Level of General Fund (Unallocated) Reserves (15% of Net Expenditure), does Reserve Remain Positive						<b>Yes</b>		<b>Yes</b>		<b>Yes</b>	
- If 'Total Sensitivity' Risk occurred, what would be the reduction in General Fund (Unallocated) Reserves						<b>54.8%</b>		<b>36.6%</b>		<b>23.4%</b>	
* Note: HDC has set a minimum level of General Fund (unallocated) Reserves of £2.175. 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 2021/22 and the MTFS Period (2022/23 to 2025/26)



- 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 £2.175m. 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 Council operates a number of reserves; including the Budget Surplus Reserve, the Commercial Investment Reserve and a number of specific Earmarked Reserves. The purpose of the latter is to meet known potential liabilities arising from Statutory Commitments, Know Risks, Future or Political Commitments and costs associated with Transformation and Commercialisation.
- 8.6.3 However, to ensure the adequacy of the Councils Reserves (i.e. their robustness) it is essential to determine if the Councils revenue reserves are sufficient to meet the assessed risks (8.5.7). To determine this, a two-stage comparison will be undertaken in that the “likelihood of occurrence” of a risk will be compared to two sets of reserves. The detailed analysis is shown in **Table 24** and relevant commentary is shown below.

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

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

As shown in **Table 24**, both reserves can meet the assessed risks for the duration of the MTFs.

#### **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 24**

Table 24																
Impact of 2021/22 Sensitivity of Risks on the MTFS General Fund Reserves Profile																
General Fund Reserve and Budget Surplus Reserve	2021/22 £000			2022/23 £000			2023/24 £000			2024/25 £000			2025/26 £000			
General Fund Reserve c/f	2,175			2,175			2,175			2,175			2,175			
Budget Surplus Reserve c/f	4,760			3,615			2,692			2,094			1,658			
Minimum Level of Reserves	<b>6,935</b>			<b>5,790</b>			<b>4,867</b>			<b>4,269</b>			<b>3,833</b>			
	2,175			2,175			2,175			2,175			2,175			
	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)	1,192	797	508	1,192	797	508	1,192	797	508	1,192	797	508	1,192	797	508	
<b>Estimated Reserves c/f</b>	<b>5,743</b>	<b>6,138</b>	<b>6,427</b>	<b>4,598</b>	<b>4,993</b>	<b>5,282</b>	<b>3,675</b>	<b>4,070</b>	<b>4,359</b>	<b>3,077</b>	<b>3,472</b>	<b>3,761</b>	<b>2,641</b>	<b>3,036</b>	<b>3,325</b>	
- Do Reserves remain above Minimum Level of Reserves	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
General Fund Reserve, Budget Surplus Reserve and Commercial Investment Reserve	2021/22 £'000			2022/23 £'000			2023/24 £'000			2024/25 £'000			2025/26 £'000			
General Fund Reserve c/f	2,175			2,175			2,175			2,175			2,175			
Budget Surplus Reserve c/f	4,760			3,615			2,692			2,094			1,658			
Commercial Investment Reserve c/f	3,186			3,186			3,186			3,186			3,186			
Minimum Level of Reserves (*)	<b>10,121</b>			<b>8,976</b>			<b>8,053</b>			<b>7,455</b>			<b>7,019</b>			
	2,175			2,175			2,175			2,175			2,175			
	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)	1,192	797	508	1,192	797	508	1,192	797	508	1,192	797	508	1,192	797	508	
<b>Estimated Reserves c/f</b>	<b>8,929</b>	<b>9,324</b>	<b>9,613</b>	<b>7,784</b>	<b>8,179</b>	<b>8,468</b>	<b>6,861</b>	<b>7,256</b>	<b>7,545</b>	<b>6,263</b>	<b>6,658</b>	<b>6,947</b>	<b>5,827</b>	<b>6,222</b>	<b>6,511</b>	
- Do Reserves remain above Minimum Level of Reserves	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

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. As we have seen during 2020/21, the majority of the risks hit at the same time, even though the chances of this happening were and still are considered, unprecedented.
- 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 of £2.175m over the MTFS period.

8.6.5 However, to remove reliance on the use of reserves the Council will be required to find further savings or generate additional income equivalent to 6% of its net expenditure – as summarised in **Table 25** below and shown on the “Plan on a Page” at **Appendix 2**.

**Table 25**

Table 25	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<b>Plan on a Page - Approved MTFS 2021/22 - 2024/25</b>				
<b>Approved MTFS Net Expenditure</b>	19,842	19,680	19,938	20,341
Plan on a Page - new savings required from MTFS	(1,145)	(923)	(598)	(436)
Plan on a Page - % savings required from MTFS	-6%	-5%	-3%	-2%
<b>Budget Requirement (adjusted for savings required)</b>	18,697	18,757	19,340	19,905

## 8.7 Conclusion

- **2021/22 Budget**

Considering all the factors noted within the “Robustness” statement in respect of 2021/22, 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,

the budget proposed for 2021/22 should not give Members any significant concerns over the Council’s financial position.

- **Medium Term Financial Strategy (2022/23 to 2025/26)**

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

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

However, over the past few years the Council has taken proactive action to address its budgetary concerns and with the planned continuation find efficiencies 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)