

Budget and Medium Term Plan 2014/2015

Contents

Council Tax Summary	5
How the money is spent	6
Medium Term Plan 2014/15 Budget and Associated Matters	
Report to Council 26 February 2014	7
Appendix A - Report To Cabinet 13 February 2014	9
Annex A - Other Potential Risks	19
Annex B - Reserves and the Robustness of the 2014/15 Budget	20
Table 1 - Overall Summary	24
Table 2 - Overall Budget and MTP 2014/15	25
Table 3 - Head of Service Budgets 2014/15	26
Table 4 - Final Budget 2014/15	37
Table 5 - Capital Programme	50
Appendix B - Update Note in respect of Council Tax Freeze Grant	52
Appendix C - Treasury Management Strategy 2014/15	54
Appendix D - Formal Council Tax Resolutions 2014/15	72
Code of Financial Management	79
Code of Procurement	93

Council Tax Summary 2014/15

		<i>Total £000</i>	<i>Band D equivalent £</i>
Huntingdonshire District Council			
	Net expenditure	20,870	363.86
less	Use of reserves	(1,004)	(17.50)
	Budget requirement	19,866	346.36
add	Collection Fund surplus	(21)	(0.37)
		19,845	345.99
Financed by			
less	Government Revenue Support Grant	(4,562)	(79.54)
less	Contribution from NNDR Pool	(4,218)	(73.54)
less	Special grants	(3,426)	(59.73)
	Council Tax for Huntingdonshire DC	7,639	133.18
	Parishes	4,820	84.03
		12,459	217.21
add	Cambridgeshire County Council	64,351	1,121.94
	Police Authority	10,402	181.35
	Fire Authority	3,686	64.26
	Council Tax	90,898	1,584.76

Comparison with 2013/14	2013/14 £	2014/15 £	increase %
Huntingdonshire District Council	133.18	133.18	0.00%
Parishes	82.48	84.03	1.88%
	215.66	217.21	0.72%
Cambridgeshire County Council	1,100.07	1,121.94	1.99%
Police Authority	177.93	181.35	1.92%
Fire Authority	64.26	64.26	0.00%
Total	1,557.92	1,584.76	1.72%

How the money is spent

		£000	£000	£000
Expenditure	Employees			
	Pay (including national insurance and pensions)	21,628		
	Other	2,779	24,407	
	Buildings			
	Maintenance, cleaning and security	815		
	Energy	916		
	Rates	1,354		
	Other	280	3,365	
	Supplies and services			
	Supplies	2,192		
	Services	3,591	5,783	
	Transport			1,886
	Benefit payments			
	Housing			37,377
	Grants			1,219
Drainage Precepts			399	
Net interest received, cost of borrowing & other treasury related costs			2,092	
Other expenditure			1,060	
	GROSS EXPENDITURE			77,588
Income	Sales, fees and charges		-17,776	
	Benefit grants		-38,144	
	Other grants		-189	-56,109
	GROSS INCOME			
Total Net Service Budget				21,479
Recharges	Internal recharges to non-revenue accounts			-609
NET EXPENDITURE				20,870

Medium Term Plan, 2014/15 Budget and Associated Matters

Report to Council 26th February 2014

Report by the Assistant Director (Finance and Resources)

Executive Summary:

The Council is required to consider and approve:

- A Budget for 2014/15 and Medium Term Plan (MTP) for the period 2015 to 2019. (Appendix A as updated by Appendix B)
- The Treasury Management Strategy for 2014/15 (Appendix C)
- The formal resolution to determine the Council Tax for 2014/15 (Appendix D).

Recommendations:

- a) that the position on the 15% limit on Net Interest and Borrowing Costs be noted and the actions outlined in paragraph 8.6c of Appendix A to mitigate the impact, be endorsed.
- b) that there be no increase in Council Tax for 2014/15, i.e. the Band D charge will remain at £133.18;
- c) that, subject to appropriate adjustments to Appendix A to reflect the Council Tax Freeze Grant being added to the Grant base (as outlined in Appendix B), the proposed budget and Medium Term Plan be approved.
- d) that the 2014/15 Treasury Management Policy and Strategy (Appendix C) be approved.
- e) that the formal resolution on the Council Tax (Appendix D) be approved.

1. PURPOSE

- 1.1 The purpose of this report is to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the MTP, the 2014/15 budget and associated matters.
- 1.2 It also seeks Council's formal determination of the Council Tax for 2014/15.

2. BACKGROUND

- 2.1 On the 13th February the Cabinet discussed a report on the MTP and the 2014/15 budget (copy attached as Appendix A). The Cabinet took account of the comments from the Overview and Scrutiny Panel (Economic Well-Being) held on the 6th February and the consultation meeting with members of the local business community held on the 10th February 2014.
- 2.2 The Cabinet also considered an:
 - Update Note (Appendix B), which confirmed that the Council Tax Freeze Grant will be permanently applied to the base rather than just for 2 years; and
 - The Council's Treasury Management Strategy for 2014/15, which is attached as Appendix C.
- 2.3 The recommendations of the Cabinet are included in the Report of the meeting elsewhere on this agenda.
- 2.4 The formal resolution for approving the Council Tax (Appendix D) will consist of two parts:

Part One: This will provide specific figures relating to this Council's income and expenditure.

Part Two: This will contain two tables. The first table will show the Council Tax that each council or authority is setting for 2014/15 for each property valuation band; the second table will aggregate these for each parish or town in the District so that the Council Tax can be identified.
- 2.5 These tables will be based on the assumption that the Council will support the proposals in the budget report for Huntingdonshire's Council Tax for 2014/15.
- 2.6 Some of the Precepts from the Major and Parish precepting authorities have not yet been received by the Council. Appendix D will therefore be circulated separately as soon as this information is available.

3. DECISIONS

- 3.1 The Council is required to set a balanced budget for 2014/15. Appendix A includes a report from the Assistant Director (Finance and Resources) confirming that he considers the budget is sufficiently robust and that there are adequate reserves.

LIST OF APPENDICES INCLUDED

Appendix A – Cabinet report on the MTP and the 2014/15 budget.

Appendix B – Update Note in respect of Council Tax Freeze Grant.

Appendix C – Treasury Management Strategy 2014/15.

Appendix D – Formal Resolution for approving the 2014/15 Council Tax for Huntingdonshire District Council.

BACKGROUND PAPERS

Attached Appendices detail supporting background papers.

CONTACT OFFICER

Steve Couper, Assistant Director (Finance and Resources).

Tel: 01480 388103

Appendix A

Budget 2014/15 and Medium Term Plan 2015 to 2019

Report to Cabinet 13th February 2014

Report by the Assistant Director (Finance and Resources)

Executive Summary:

The purpose of this report is to allow the Cabinet to make its recommendations to Council on 26 February on the Council's Budget, Medium Term Plan and Council Tax level for 2014/15.

Although generally anticipated, this Council's Formula Grant fell by 24% for 2014/15.

The proposed top-slicing of New Homes Bonus did not take place, which significantly reduces the immediate pressure for savings.

The Government has offered a Council Tax Freeze Grant for 2014/15 of 1% for two years. The limit on Tax increases that would be permitted without a positive referendum result will not be announced until mid-February but it is rumoured that it will be less than 2%. The Minister has indicated that there will be no special arrangements for low taxing Districts like Huntingdonshire next year. In order to allow debate of all options the proposed budget is currently based on no Council Tax increase for 2014/15. Future Tax levels are based on 2% per year but allowance is made in the Risk Provision for a nil rise in 2015/16 in case the position mirrors what may emerge this year.

Savings continue to be successfully identified and delivered and this will result in forecast savings of £1.6M this year (£0.5M is as a result of projects being delayed until next year leaving a net benefit of £1.1M). This means that our reserves at the beginning of April will be £10M after using £0.6M from reserves to balance the budget.

Provision has been specifically made for the most significant or more certain risks.

A balance has been taken between progress on savings and the use of reserves in order to ensure that savings are properly targeted and effectively delivered to manage service impact. It also results in more comfortable reserve levels over the next few years when the greatest uncertainty on Government Funding levels is anticipated. Unidentified savings of £0.7M for 2015/16 rising to £2.1M in 18/19 are required and the Facing the Future exercise will form a base for identifying these.

The resulting Budget and MTP:

PROPOSED BUDGET/MTP	Forecast	Budget	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
2013/14 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,364	-3,186
PROPOSED 2014/15	21,126	20,870	20,389	20,294	20,863	21,955
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-437	-555	-776
<i>Remaining revenue reserves EOY</i>	10,032	9,027	7,910	7,473	6,918	6,142
New Homes Bonus	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant		-82	-82	0	0	0
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
	% increase	3.63%	0.00%	2.00%	2.00%	2.00%
	£ increase	£4.67	£0.00	£2.66	£2.72	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

The Council's Chief Financial Officer considers that the budget for 2014/15, is sufficiently robust and that there are adequate reserves though he draws attention to:

- the need to make prompt progress with identifying the savings required for future years especially recognising the major and increasing reliance on New Homes Bonus which may be vulnerable to change.
- The importance of effective financial monitoring.

Recommendations:

That Cabinet recommend to February Council:

- Approval of the proposed Budget and MTP as shown in the Budget Tables in the Appendix to this report.
- Acceptance that the 15% limit on Net Interest and Borrowing Costs has been breached but that the actions described in Para. 8.6c be undertaken over the next year to mitigate the impact.
- A Council Tax level for 2014/15.

That Cabinet endorse, subject to Council approving the Budget,

- the additional approvals required for those MTP schemes highlighted in Appendix – Table 4.

1. PURPOSE

1.1 The purpose of this report is to allow the Cabinet to make its recommendations to Council on 26 February on the Council's Budget, Medium Term Plan and Council Tax level for 2014/15.

2. BACKGROUND

2.1 The budget/MTP approved in February 2013 was as shown below:

APPROVED 2013 BUDGET/MTP	BUDGET	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000
FORECAST	22,764	22,198	22,755	23,046	24,227
FUNDING					
Use of revenue reserves	-2,254	-2,084	-1,458	0	0
Remaining reserves EOY	8,542	6,458	5,000	5,000	5,000
New Homes Bonus	-2,905	-3,505	-4,489	-5,964	-6,832
Formula Grant (RSG)	-6,019	-4,600	-4,255	-3,936	-3,641
Retained Business Rates	-4,004	-4,127	-4,230	-4,336	-4,444
Collection Fund Deficit	-76				
Council Tax	-7,506	-7,882	-8,323	-8,810	-9,311
COUNCIL TAX LEVEL	£133.18	£137.85	£142.67	£147.67	£152.84
% increase	3.63%	3.51%	3.50%	3.50%	3.50%
£ increase	£4.67	£4.67	£4.82	£4.99	£5.17
Unidentified Spending Adjustments still required	0	-1,500	-1,856	-2,687	-2,637

2.2 In September a Forecast Report was presented to Council which took account of:

- the 2012/13 outturn
- reduced Formula Grant (RSG)
- a top slice of New Homes Bonus (NHB) to be transferred to the Local Enterprise Partnership (LEP)
- a list of targeted savings.

2.3 This gave the following position:

SEPTEMBER 2013 FORECAST	FORECAST	BUDGET	MTP			
	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
FORECAST	22,962	22,090	19,768	19,950	21,159	22,166
FUNDING						
Use of revenue reserves	-2,752	-2,386	-1,435			
Remaining reserves EOY	8,821	6,435	5,000	5,000	5,000	5,000
New Homes Bonus	-2,905	-3,505	-3,142	-4,175	-4,782	-5,182
Formula Grant (RSG)	-6,019	-4,500	-2,995	-2,995	-2,995	-2,995
Retained Business Rates	-3,704	-3,817	-3,913	-4,011	-4,111	-4,214
Collection Fund Deficit	-76					
Council Tax	-7,506	-7,882	-8,323	-8,810	-9,311	-9,816
COUNCIL TAX LEVEL	£133.18	£137.85	£142.67	£147.67	£152.84	£158.19
% increase	3.63%	3.51%	3.50%	3.50%	3.50%	3.5%
£ increase	£4.67	£4.67	£4.82	£4.99	£5.17	£5.35
Savings Required:						
a) Targetted		1,377	1,852	2,050	2,090	2,090
b) Unidentified		138	2,620	2,948	3,181	3,694

2.4 Due to the continued uncertainty in many areas it was decided not to produce a Draft Budget/ MTP in December but only to provide an update to the Forecast Report. Before the report reached Council it had to be updated to reflect the very late notification of the draft local government finance settlement.

2.5 This gave the proposed reductions in Formula Grant for 2014/15 and 2015/16 but also the very good news that New Homes Bonus would not, after all, be top sliced this year. It resulted in the position below:

December 2013 Update REVENUE SAVINGS	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
From September Forecast Report					
Targeted	-1,377	-1,852	-2,050	-2,090	-2,090
Unidentified	-138	-1,273	-1,159	-1,131	-1,473
total	-1,515	-3,125	-3,209	-3,221	-3,563
% of Budget	6.4%	12.9%	12.9%	12.2%	12.7%
Identified so far (from above)	-719	-1,532	-1,702	-1,848	-1,794
Still required	-796	-1,593	-1,507	-1,373	-1,769
% of Budget	3.4%	6.6%	6.0%	5.2%	6.3%

3. SUBSEQUENT CHANGES IN SPENDING

3.1 The savings included in the original budget and those subsequently identified as "targetted" savings are being monitored and the latest forecast of their achievements in both value and timescale are included in the proposed MTP. The Facing The Future exercise has also identified a significant number of potential savings in the "No significant service impact" category and many of these have also been included.

- 3.2 There have also been some increased costs identified. Examples include the latest forecasts of car parking income and the fact that the County Council have informed us that they will require us to pass the net surplus on on-street parking to them in future to fund their Transportation schemes.
- 3.3 The impact of the Pension Fund Revaluation has also been assessed. Whilst it requires further increases the MTP already included provision for much of this and because the new requirement is staggered it produces significant savings for 2014/15 (£589k) which reduces until additional funding of £156k per year is required from 2017/18. There is also a change to the regulations from April that makes all overtime pensionable with the added cost of contributions being £67k.
- 3.4 The table below summarises these changes:

SPENDING ADJUSTMENTS since the December Update Report	FORE CAST	BUDGET	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
Savings - Facing the Future	-100	-377	-496	-511	-476	-476
Savings - Other	-57	-121	-220	-166	-167	-172
Extra expenditure	151	123	129	136	147	150
Technical - Pensions	0	-522	-216	159	223	223
Technical - Reduction in Unidentified Savings	0	1,500	1,156	1,387	837	1,274
Technical - Other	-661	-133	-274	-538	-166	26
Risk Provision	-20	-1,078	-912	-1,516	-1,913	-2,415
Total	-687	-608	-833	-1,049	-1,515	-1,391

4. FUNDING

- 4.1 Information about the Council Tax Freeze grant has been received and the Council would receive £82k in 2014/15 and 2015/16 if it were to freeze or reduce its current Council Tax level of £133.18 for 2014/15. There have been suggestions that such grants would be built into the base so they would be permanent but the letter received from the government makes no reference to this and so the figures in this report just assume the two years.
- 4.4 Part of the draft settlement was the information on Retained Business Rates for 2014/15 and 2015/16. Members will recall that during this first year of the retention it has been very difficult to forecast the expected levels with any degree of precision due to the significant number of valuation appeals still awaiting determination. Successful appeals are usually backdated for a number of years making the result very volatile. During the latter part of the current year it has become clear that we may achieve the Government's assumed base level. The approach taken in the proposed MTP is therefore to assume that the base line figures will be achieved but to include in the Risk Contingency a sum half way between the base line and the safety net level.

5. OUTSTANDING ITEMS

- 5.1 The following items are still outstanding and will require assumptions to be made in order to finalise the budget:

The limit for Council Tax increases without a positive referendum

The Government had signalled a limit of 2% but has now stated that the figure will not be released until the second week of February. There are strong rumours that the limit will be less than 2%. Obviously any reduction below 2% considerably weakens the argument for an increase even recognising the longer term impact on the base. This report is therefore based on a freeze for 2014/15 and section 7 below outlines the impact of alternative decisions.

Pay Review

The figures contained in the report to Cabinet's January meeting include some forecasts and two contingency elements.

Continued Uncertainty

Assumptions on Formula Grant post 2015/16 continue to show reductions but could be subject to significant change. The New Homes Bonus process could be amended as originally proposed this year or in some other way.

6. RISK PROVISION AND OTHER POTENTIAL RISKS

6.1 The Risk Provision included in the MTP is shown below:

Risk Provision in MTP	14/15	15/16	16/17	17/18	18/19
	£000	£000	£000	£000	£000
Formula Grant reduction due to New Homes Bonus		100	200	200	200
Reduced New Homes Bonus (long term empty properties)	0	60	70	80	90
Provision for demographic growth #	0	90	180	150	240
Zero tax rise in 2016/17 with 1% reward grant for 2 years		72	77	165	172
Pay Protection and Performance Pay	184	114	274	427	565
Homelessness	50	100	100	0	0
NNDR - Appeals (Half way between base level and safety net)		150	150	150	150
Repayment of land charge fees - assume half	86	0	0	0	0
	320	686	1,051	1,172	1,417

Cost of extra refuse round included in MTP for 2017/18 set-off

6.2 Annex A provides a list of other risks that could affect the Council during the MTP period for which no financial adjustment has been made. If they result in an increase in net cost, this will have to be met from revenue reserves until other savings can be achieved.

7. COUNCIL TAX INCREASES

- 7.1 Huntingdonshire continues to have a very low level of Council Tax. In the current year the Council's £133.18 charge (Band D) was 28th lowest of the 201 District Councils which have an average of £167 and a maximum of £316. Almost two thirds of Huntingdonshire's properties are in Bands A to C and so have a lower Tax level.
- 7.2 As referred to above the Government is encouraging authorities not to increase Council Tax for 2014/15 with the offer of a special grant approximating to 1% of 2013/14 Council Tax income for two years.
- 7.3 Last year Huntingdonshire was permitted to increase its Council Tax by almost £5 (3.63%) because it had one of the lowest 20% of Council Tax levels. It is not anticipated that this offer will be repeated. However, to cover every eventuality the following table compares the impact of a number of scenarios compared to the base assumption of no increase this year and effectively no increase in 2015/16 either. This is because provision is included in the Risk Contingency for the headline level of 2% not being attractive in the light of the combination of the Government's limitation rules and reward grants for 2015/16. 2% per year is assumed post 2015/16.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
BASE OPTION					
Council Tax Increase	£0	2%	2%	2%	2%
After Risk Provision	£0	£0	2%	2%	2%
OPTION 1	£5	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-205	-285	-381	-481	-501
OPTION 2	2%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-71	-147	-239	-334	-347
OPTION 3	1.5%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-33	-108	-198	-291	-303
OPTION 4	1%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	5	-69	-158	-249	-259
OPTION 5	£0	2%	3.5%#	3.5%	3.5%
CHANGE IN SAVINGS NEEDED		-72	-196	-415	-564
+ = more required - = less required					

Previous policy was a rise of 3.5% per year

- 7.4 It is assumed that £5 would only be considered if it was permitted by the Government. If it was not it would require a positive referendum result. This would be a very high risk without any guarantee of a return because a referendum would cost around £70k even if at the same time as the European Elections. If unsuccessful, rebilling would amount to a further £70k.

8. RESERVES OR SAVINGS

- 8.1 Once the net cost of services and the main funding elements have been determined or estimated there are only two ways left to balance the budget each year. One is to use our revenue reserves until they reach the minimum prudent level and the other is to identify further savings targets.
- 8.2 Whilst the Facing the Future savings exercise is progressing well there are still many months of work to be undertaken before all of the 460 items have been researched to the point of having definite savings levels and phasing. Given this situation it would not be prudent to assume an over-optimistic level of savings for 2015/16. However it would also be inappropriate to reduce reserve levels too quickly because, as mentioned previously, there are major uncertainties about future Government Funding to Local Authorities. It is clear that further reductions will take place post 2015/16 and the scale of potential changes to the New Homes Bonus, which is an increasingly major element of the Council's funding, was highlighted earlier in the year.
- 8.3 Thus a mid-course has been taken involving both targeting savings and the use of reserves each year to give the following position.

PROPOSED BUDGET/MTP	FORECAST 2013/14 £000	BUDGET 2014/15 £000	MTP			
			2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
2013/14 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,364	-3,186
PROPOSED 2014/15	21,126	20,870	20,389	20,294	20,863	21,955
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-437	-555	-776
Remaining reserves EOY	10,032	9,027	7,910	7,473	6,918	6,142
New Homes Bonus	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant		-82	-82	0	0	0
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
% increase	3.63%	0.00%	2.00%	2.00%	2.00%	2.00%
£ increase	£4.67	£0.00	£2.66	£2.72	£2.77	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

8.4 Last year Council agreed that an MTP with Interest and Borrowing Costs in excess of 15% of net expenditure would need specific consideration. The table below shows the position for the proposed MTP:

PROPOSED BUDGET/MTP	FORECAST 2013/14 £000	BUDGET 2014/15 £000	MTP			
			2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Forecast additional borrowing	11,041	3,823	2,111	3,545	3,614	3,069
Average borrowing in year net of Minimum Revenue Provision	31,883	37,945	39,104	39,857	41,103	41,798
Net Interest and Borrowing Costs						
- total	1,444	1,903	2,282	2,460	2,978	3,592
- as % of net spending	6.8%	9.1%	11.2%	12.1%	14.3%	16.4%
- value in excess of 15%						299

8.5 The 2018/19 forecast Net Interest and Borrowing Costs would have represented 14.3% of the current MTP's forecast of Net Spending of £25,141k. It is the fall in spending due to the savings targets that has increased the percentage to 16.4%.

8.6 Cabinet have three options:

- a) To insist that the 15% limit is maintained by reducing capital expenditure.

It may not be possible to reduce the capital programme sufficiently to achieve this given the fact that it is relatively low in historical terms and concentrates on those items that are necessary to preserve services (e.g. refuse freighters or IT equipment), preserve buildings (e.g. major maintenance) or is a statutory requirement (e.g. Disabled Facilities Grants). To save a revenue impact of £299k would require capital reductions of approximately £3M.

- b) To insist that the 15% limit is maintained by funding some of the schemes from revenue.

The revenue impact of achieving the limit by this method would be in the order of £3M though this would create savings of £300k per year thereafter. It is difficult to recommend considering such a move until the majority of the savings target is seen to be achievable.

- c) To agree to recommend the current MTP to Council.

The MTP proposal to increase the volume of margin-making loans to fund relevant projects with appropriate partners will lead to a reduction in the excess (£30M of loans with a 1% margin would cover the £299k). A careful review of the capital programme can also be programmed into the coming year to see if there are any possibilities of savings (this is certainly possible on the IT front if we have a shared service with LGSS due to their additional market leverage).

8.7 The following annexes showing the detail of the proposed Budget and MTP:

Appendix – Table 2

Overall Budget and MTP – Subjective analysis

Appendix – Table 3

Head of Service Budgets – Subjective and Objective analysis

8.8 **Appendix – Table 4** shows all the MTP variations from the 2013/14 approved budget level.

All items can proceed on the decision of the relevant Head of Service except those that are highlighted as needing the additional levels of approval shown.

9. RESERVES AND THE ROBUSTNESS OF THE 2014/15 BUDGET

9.1 The Local Government Act 2003 requires the Assistant Director, Finance and Resources, as the Council's Chief Financial Officer, to report to the Council on the robustness of the estimates and the adequacy of reserves when it considers its budget and the consequent Council Tax. His comments are contained in Annex B and confirm that the budget is adequately robust and that, in his view, the level of revenue reserves is currently above the minimum level required.

10. CONSULTATION AND COMMENTS

10.1 This report will be considered at a meeting of the Overview and Scrutiny (Economic Wellbeing) Panel on the 6 February and a consultation meeting with members of the business community on 10 February. Comments from both meetings will be reported to Cabinet.

11. PRUDENTIAL CODE

11.1 The Prudential Code sets various limits relating to the budget and this has been included as an annex to the Treasury Management Strategy elsewhere on the Cabinet's agenda.

ACCESS TO INFORMATION ACT 1985

Grant Settlement Information – Files in Financial Services
Working Papers - Files in Financial Services
Project Appraisals
2013/14 Revenue Budget and the 2014/18 MTP
Forecast Report
December 2013 Update Report

Contact Officer:

Steve Couper, Assistant Director, Finance and Resources
Tel: 01480 388103

ANNEXES

- A Risks for which no or limited provision has been made in the Risk Contingency
- B Chief Financial Officer's statement on robustness of budget and adequacy of reserves (including information about main assumptions and sensitivity analysis)

SEPARATE APPENDIX OF BUDGET TABLES

Table

- 1 Overall Summary
- 2. Overall Budget and MTP – Subjective analysis
- 3. Head of Service Budgets – Subjective and Objective analysis
- 4. Final Budget 14/15. All MTP variations from the 2013/14 base, highlighting those needing approval before commencement. i.e. previous years and current years approvals
- 5. Capital Programme

ANNEX A

OTHER POTENTIAL RISKS

The most fundamental issue is the speed with which the UK economy will grow and its impact on Government funding of local authorities and the resources of Huntingdonshire residents. There are conflicting views on the scale and speed of this recovery and so it is difficult to forecast the impact on:

- Income from planning fees, building control fees and leisure charges.
- House building and hence New Homes Bonus (15% caution built in)
- More applicants for housing and council tax benefit
- Higher homelessness costs (£50k provision in 2014/15)
- Reductions in Government Grant (assumption made post 2015/16 but limited data to base this on)

Other issues include:

- Delivery of the items contained in identified savings
- Identification and consequent delivery of items to achieve the level of unidentified savings required in future years.
- Levels of pay awards, inflation and interest rates
- Results of Pay Review (reasonable estimate included with some contingency provision)
- Ability to maintain income levels
- Impact of variations in retained Business Rates (very volatile due to appeals)
- Change in Pension Fund contributions payable from April 2018 as a result of the three yearly revaluation.
- Impact of changes to the benefits systems on homelessness levels and the ability to collect Council Tax.
- High priority service developments not already in the MTP and any unavoidable spending requirements (e.g. planning appeals)
- The potential for costs relating to "orphan" contaminated land sites
- Repayment of past land charge fees (part provision in contingency)
- Low demand for sites in Huntingdon e.g. assumed sale of plot fronting St. Mary's Street.

ANNEX B

RESERVES AND THE ROBUSTNESS OF THE 2014/15 BUDGET

The Local Government Act 2003 requires me, as the Council's Chief Financial Officer, to report on the robustness of the 2014/15 budget and the adequacy of reserves to assist you in making your decisions on the Budget and the level of Council Tax.

Robustness

The Council has tended in recent years to underspend its budget. This demonstrates that there is an element of prudent budgeting and that managers have taken a mature approach to budgetary control rather than simply spending any spare sums on low priority items. As budgets further tighten this opportunity will significantly diminish.

The Internal Audit and Risk Manager considers that our internal financial controls are working adequately. There is also a sound system of financial monitoring which has been developed further this year and will be further extended next year to ensure that any non-achievement of budgets is promptly recognised and reported. The process this year has been used to ensure that any necessary budget variations have fed into this budget/MTP process.

The 2014/15 budget has been prepared using the budget for 2013/14 as a base, and amending it for known changes, particularly:

- Inflation including a 1.5% provision for an April 2014 pay award. There will be no performance pay in 2014/15. Pay is by far the most significant inflation element.
- The impact of the 2012/13 outturn and forecast spending for 2013/14.
- Variations in existing budgets and MTP schemes together with new MTP proposals. A significant number of these reflect savings rather than extra costs.

There have been some proposals in previous MTPs that included an element of challenge which has not always turned out to be achievable. I am satisfied that adjustments have generally been made to remove or minimise any such levels of uncertainty.

There will always be some items that emerge after the budget has been prepared. These may be the non-achievement of an MTP item or some new unexpected item. These will first be met by any compensating savings that have emerged elsewhere in the budget but, if this is not possible, from reductions in service provision or the use of revenue reserves.

The most significant potential risks to the budget are:

- higher inflation
- further reductions in income
- non-achievement of planned savings
- failure of a borrower
- an emergency (e.g. flooding)
- increased demands on services (e.g. benefits or homelessness)
- Level of retained Business Rates

Tables at the end of this Annex show the key assumptions and the financial impact of changes over the MTP period but the figures quoted below are the potential impact on the 2014/15 budget.

Inflation

A 1% increase in pay would cost £200k

A 1% increase in general inflation (excluding pay), assuming no compensating increase in fees and charges was possible, would result in a net cost of approximately £175k.

An increase in interest rates of 1% would cost £96k.

Reduced Income

A 1% loss of income from fees, rents, charges and recharges would amount to around £178k. The largest areas susceptible to variation are:

- Car Parks £1.8M
- Leisure Centres £7.5M
- Property £2.0M
- Planning and Building Control Fees £1.9M

Non Achievement of Planned Savings

There is clearly no guarantee that all savings will be achieved within the timescales shown. In total the additional savings target over the current year's forecast is around £2.9M which includes significant sums relating to the new pension contribution levels and the pay review. However, it is also likely that some more of the items from the Facing the Future review will start to impact in 2014/15 and this will help counteract any difficulties with the items already included.

Failure of a Borrower

The maximum permitted with one counterparty is £8M but this is only possible where £3M of the sum is held in a liquidity account with that body. Liquidity Accounts allow recovery of investments on the same working day which substantially reduces the risk. In most cases the limit is £5M which is restricted to bodies with the highest credit rating or Building Societies with more than £2 billion in assets.

An emergency

Certain types of eventuality are mitigated in other ways. Many significant risks are insured against, so losses are limited to the excesses payable. The Government's Bellwin Scheme meets a large proportion, over a threshold, of the costs of any significant peacetime emergencies (e.g. severe flooding).

Increased demands on services

The services most susceptible to increased demand that would have a significant revenue impact are homelessness and Council Tax Support.

Retained Business Rates

Since the introduction of this new element of funding for authorities in April 2013 it has become increasingly clear that the levels that the authority will be able to retain are very difficult to forecast. Whilst there are some opportunities for estimating when new buildings will be completed once they have started it is very difficult to judge when development will commence on allocated land even if planning permission has been granted.

It is even more difficult to estimate the results of appeals against the valuation set by the Valuation Office Agency. These appeals sometimes take years to finalise and are often backdated for a number of years, drastically adding to the volatility.

Other variations can result from property being burnt down (e.g. the public house/restaurant at Hartford Marina) or demolished.

The revenue impact is limited by the existence of a safety net which limits our loss to around £300k and a contingency has been included for half this sum.

Revenue Reserves

Theoretically, though it is extremely unlikely, all of the above items could occur next year in which case it is critical that the Council has sufficient reserves to fund unavoidable additional costs pending the introduction of compensating service savings.

Reserves are forecast to be £10.0m at April 2014 and reduce to £9.1m by March 2015 in order to support revenue spending. This is still significantly above what would be considered a safe minimum level when considering the 2014/15 budget in isolation but clearly not excessive given the future uncertainties on Government financial support and the need for further significant savings.

Therefore, even if a number of unexpected additional costs emerged there would still be sufficient funding to cover the deficit for 2014/15.

Conclusion

Considering all these factors, I believe that the combination of a robust budget process and our current level of reserves should give Members no concerns over the Council's financial position for 2014/15.

However, for future years, it remains critical that:

- Effective progress is made in identifying how the Unidentified Savings for future years will be achieved and where practicable these are brought on-stream as soon as possible recognising the major and increasing reliance on New Homes Bonus which may be vulnerable to change.
- That careful monitoring continues to take place recognising that there are certain key areas subject to volatility. These include income from fees and charges, homelessness, the level of housing completions that result in New Homes Bonus and the level of retained Business Rates.

Steve Couper
Assistant Director
Finance and Resources

ASSUMPTIONS

INFLATION	for Apr 2014	for Apr 2015	for Apr 2016	for Apr 2017	for Apr 2018
Pay award	1.5%	1.5%	1.5%	2.0%	2.0%
Prices	2.5%	2.5%	2.5%	2.5%	2.5%
electricity	0.0%	-0.5%	2.4%	8.9%	31.1%
gas	0.0%	0.0%	2.6%	5.1%	0.0%
fuel	0.1%	0.5%	1.0%	1.5%	1.5%
car park charges				10%	
planning fees				10%	

The cost of performance pay is allowed for in the Risk Provision for the Pay Review and assumes an average of one increment every 2 years starting from April 2015 for those employees not at the top of their grade.

INTEREST RATES	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
Temporary Borrowing	0.43%	0.43%	0.45%	0.85%	1.33%
Temporary Investments	0.58%	0.58%	0.55%	0.95%	1.43%
PWLB 20 year borrowing	3.39%	3.64%	4.08%	4.25%	4.50%

SENSITIVITY

IMPACT OF CHANGES	Impact on saving requirement				
	14/15 £M	15/16 £M	16/17 £M	17/18 £M	18/19 £M
Pay - 1% higher award each April starting 2014	199	386	581	794	1,018
Pensions – 1% higher employers' contribution from April 2018					142
Expenditure excluding pay - 1% higher inflation each year	175	352	531	712	894
Income – 1% higher assumption	-178	-359	-540	-724	-910
Interest Rates - 1% higher	96	115	131	145	160

BUDGET 2014/15

AND

MEDIUM TERM PLAN 2015/16 to 2018/19

TABLES

- | | |
|---|--|
| 1 | Overall Summary |
| 2 | Overall Budget and MTP – Subjective analysis |
| 3 | Head of Service Budgets – Subjective and Objective analysis |
| 4 | All MTP variations from the 2013/14 base, highlighting those needing approval before commencement. i.e. previous years and current years approvals |
| 5 | Capital Programme showing external funding |

TABLE 1 – OVERALL SUMMARY

PROPOSED BUDGET/MTP	FORECAST 2013/14 £000	BUDGET 2014/15 £000	MTP			
			2015/16	2016/17	2017/18	2018/19
			£000	£000	£000	£000
2012/13 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,364	-3,186
NEW FORECAST	21,126	20,870	20,389	20,294	20,863	21,955
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-437	-555	-776
Remaining revenue reserves EOY	10,032	9,027	7,910	7,473	6,918	6,142
New Homes Grant	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant		-82	-82	0	0	0
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
% increase	3.63%	0.00%	2.00%	2.00%	2.00%	2.00%
£ increase	£4.67	£0.00	£2.66	£2.72	£2.77	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

TABLE 2 - OVERALL BUDGET AND MTP - SUBJECTIVE ANALYSIS

Huntingdonshire District Council								
Subjective Analysis: Controllable Income & Expenditure								
ALL SERVICES	2013/14		2014/15	Medium Term Plan				
	Budget £000	Forecast £000	Budget £000	2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000	2018/19 Budget £000	
Employees	Salaries	18,186	17,362	17,567	17,296	17,248	17,371	17,398
	National Insurance & Pensions	4,082	3,901	4,061	4,044	4,044	4,424	4,426
	Overtime	368	293	373	375	375	375	375
	Bonus	225	223	224	224	224	224	224
	Hired Staff	460	692	490	475	445	445	347
	Allowances	75	70	86	86	86	86	86
	Childcare Admin Vouchers	5	5	5	5	5	5	5
	Commission On Sales	17	14	1	1	1	1	1
	Employee Insurance	120	100	103	103	103	103	103
	Long Service Awards	1	1	1	1	1	1	1
	Recruitment	27	29	27	27	27	27	27
	Termination	230	203	206	206	205	205	205
	Training	329	274	281	281	281	281	281
		24,125	23,167	23,425	23,124	23,045	23,548	23,479
Benefit & Transfer Payments	Benefits	35,801	35,928	37,377	37,311	37,311	37,311	37,311
	Grants Paid	1,476	1,711	1,219	1,135	1,085	1,085	1,085
	Irrecoverable V A T	149	145	137	137	137	137	137
	Precepts	390	390	399	399	399	399	399
	Profit Share Payable	0	6	6	6	6	6	6
		37,816	38,180	39,138	38,988	38,938	38,938	38,938
Buildings	Building Security	111	109	112	112	112	112	112
	Building Structure	688	693	703	703	703	703	703
	Energy	874	779	753	738	724	754	754
	Fixtures & Fittings	63	84	71	71	71	71	71
	Land	201	246	209	209	209	209	209
	Leases & Rents	279	242	270	230	230	216	230
	Property Taxes	1,056	1,046	1,084	1,084	1,084	1,084	1,084
	Water & Sewerage	162	156	163	163	163	163	163
		3,434	3,355	3,365	3,310	3,296	3,312	3,326
Supplies & Services	Advertising	188	165	184	184	184	184	184
	Equipment & Furniture	1,385	1,462	1,435	1,422	1,427	1,422	1,422
	Insurance (Service Related)	89	77	93	93	93	93	93
	Interest Paid	704	438	888	900	920	1,086	1,428
	Materials	746	730	719	719	719	719	719
	Members Expenses	393	386	392	392	392	392	392
	Postage	240	260	272	274	242	229	244
	Printing & Stationery	407	395	427	425	425	410	425
	General Supplies and Services	346	329	225	225	225	225	225
	Professional Services	2,072	1,926	2,078	1,841	1,779	1,683	1,687
	Public Consultation, Surveys	94	76	53	53	53	53	53
	Subscriptions	38	32	38	38	38	38	38
	Treasury Related Services	163	186	175	175	175	175	175
	External Audit Fees	163	113	117	117	117	117	117
	Subsistence	6	7	6	6	6	6	6
	Telephones	278	249	259	255	255	255	267
		7,312	6,831	7,361	7,119	7,050	7,087	7,475
Transport	Car Allowances	330	258	307	307	307	307	307
	Vehicles & Plant	1,533	1,416	1,579	1,580	1,580	1,580	1,580
		1,863	1,674	1,886	1,887	1,887	1,887	1,887
Technical Adjustments	Renewals Fund Contribution	327	262	285	285	285	285	285
	Minimum Revenue Provision	1,255	1,118	1,623	1,992	2,158	2,509	2,784
	Pay Protection	320	0	187	119	279	431	570
	Contingencies	(148)	21	123	793	1,006	1,350	1,960
	Pension Contribution Lump Sum	1,139	1,139	789	1,135	1,510	1,574	1,574
	Unallocated Savings	0	0	0	(700)	(1,300)	(1,799)	(2,100)
		2,893	2,540	3,007	3,624	3,938	4,350	5,073
Total Service Expenditure		77,443	75,747	78,182	78,052	78,154	79,122	80,178
Reserve-Revenue Transfers	Renewals Fund Contn Adjustment	0	(58)	0	0	0	0	0
		0	(58)	0	0	0	0	0
Income & Fees	Bad Debts Provision	262	75	81	81	81	81	81
	Charges & Fees	(10,834)	(10,424)	(11,367)	(11,788)	(12,000)	(12,250)	(12,275)
	Commuted Sums	(118)	(186)	(172)	(125)	(125)	(245)	(245)
	Costs Recovered	(2,634)	(2,681)	(2,771)	(2,717)	(2,689)	(2,684)	(2,684)
	Government Grants	(36,523)	(37,205)	(38,144)	(38,111)	(38,070)	(38,043)	(37,985)
	Interest Received	(446)	(272)	(594)	(642)	(696)	(749)	(752)
	Licence Fees	(359)	(376)	(343)	(343)	(343)	(343)	(343)
	Lottery Grant	(77)	(50)	0	0	0	0	0
	Private Grants	(18)	(16)	(17)	(17)	(17)	(17)	(17)
	Rent	(2,396)	(2,235)	(2,323)	(2,343)	(2,343)	(2,343)	(2,343)
	Sales	(1,033)	(970)	(1,053)	(1,053)	(1,053)	(1,053)	(1,053)
		(54,176)	(54,398)	(56,703)	(57,058)	(57,255)	(57,646)	(57,616)
Total Service Income		(54,176)	(54,398)	(56,703)	(57,058)	(57,255)	(57,646)	(57,616)
Total Net Service Budget		23,267	21,349	21,479	20,994	20,899	21,476	22,562
Less Technical Adjustments	Recharges Outside of Revenue	(503)	(651)	(609)	(605)	(605)	(610)	(607)
NEW FORECAST		22,764	20,698	20,870	20,389	20,294	20,866	21,955

TABLE 3 - HEAD OF SERVICE BUDGETS – SUBJECTIVE AND OBJECTIVE ANALYSIS

Huntingdonshire District Council								
Subjective & Objective Analysis: Service Controllable Income & Expenditure								
Managing Director & Corporate Office		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	762	578	623	623	623	623	623
	National Insurance & Pensions	183	154	164	164	164	180	180
	Allowances	2	2	1	1	1	1	1
	Childcare Admin Vouchers	5	5	5	5	5	5	5
	Employee Insurance	27	0	0	0	0	0	0
	Long Service Awards	1	1	1	1	1	1	1
	Recruitment	20	20	21	21	21	21	21
	Pension Added Years	229	199	204	204	204	204	204
	Training	40	37	31	31	31	31	31
		1,269	996	1,050	1,050	1,050	1,066	1,066
Benefit & Transfer Payments	Grants Paid	3	3	3	3	3	3	3
	Irrecoverable V A T	31	31	28	28	28	28	28
	Profit Share Payable	0	6	6	6	6	6	6
		34	40	37	37	37	37	37
Buildings	Building Security	44	45	46	46	46	46	46
	Building Structure	60	70	62	62	62	62	62
	Energy	4	6	5	5	5	5	5
	Land	1	29	2	2	2	2	2
	Leases & Rents	171	140	151	151	151	151	151
	Property Taxes	25	35	30	30	30	30	30
	Water & Sewerage	0	1	0	0	0	0	0
	Total	305	326	296	296	296	296	296
Supplies & Services	Advertising	5	14	6	6	6	6	6
	Equipment & Furniture	68	46	64	53	53	53	53
	Materials	0	2	0	0	0	0	0
	Members Expenses	13	13	13	13	13	13	13
	Postage	15	15	3	3	3	3	3
	Printing & Stationery	12	11	9	7	7	7	7
	General Supplies and Services	1	2	1	1	1	1	1
	Professional Services	746	752	650	637	618	626	629
	Public Consultation, Surveys	38	24	0	0	0	0	0
	Subscriptions	13	13	13	13	13	13	13
	Subsistence	1	1	1	1	1	1	1
	Telephones	4	3	2	2	2	2	2
		916	896	762	736	717	725	728
Transport	Car Allowances	25	17	16	16	16	16	16
	Vehicles & Plant	8	8	8	8	8	8	8
		33	25	24	24	24	24	24
Technical Adjustments	Renewals Fund Contribution	93	93	96	96	96	96	96
		93	93	96	96	96	96	96
Total Service Expenditure		2,650	2,376	2,265	2,239	2,220	2,244	2,247
Reserve-Revenue Transfers	Renewals Fund Contn Adjustment	0	(23)	0	0	0	0	0
		0	(23)	0	0	0	0	0
Income & Fees	Charges & Fees	(57)	(60)	(62)	(62)	(62)	(62)	(62)
	Costs Recovered	(51)	(63)	(115)	(120)	(82)	(82)	(82)
	Rent	(1,939)	(1,838)	(1,901)	(1,921)	(1,921)	(1,921)	(1,921)
		(2,047)	(1,961)	(2,078)	(2,103)	(2,065)	(2,065)	(2,065)
Total Service Income		(2,047)	(1,984)	(2,078)	(2,103)	(2,065)	(2,065)	(2,065)
Net Service Budget		603	392	187	136	155	179	182
Objective Analysis:								
Direct Services	Community Initiatives	38	0	0	0	0	0	0
	Corporate Management	69	85	52	39	39	39	39
	Democratic Services	30	33	30	30	30	30	30
	Economic Development	113	123	95	95	95	95	95
	Economic Development Estates	(1,595)	(1,471)	(1,594)	(1,619)	(1,624)	(1,624)	(1,624)
	Non Distributed Costs	229	199	204	204	204	204	204
Internal Services (rechargeable)	Corp Office & Directors Mgmt Unit	365	206	186	186	186	190	190
	Corporate Office Mgmt Unit	676	622	624	624	667	679	679
	Payroll & HR	678	595	590	577	558	566	569
Net Service Budget		603	392	187	136	155	179	182

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Head of Legal & Democratic Services		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget £000	Budget £000	Budget £000	Budget £000
Subjective Analysis:								
Employees	Salaries	1,063	1,006	1,078	1,057	1,047	1,014	1,071
	National Insurance & Pensions	253	243	257	257	257	280	280
	Overtime	11	5	11	11	11	11	11
	Bonus	0	5	0	0	0	0	0
	Hired Staff	14	14	14	14	14	14	14
	Allowances	8	8	8	8	8	8	8
	Training	23	21	19	19	19	19	19
		1,372	1,302	1,387	1,366	1,356	1,346	1,403
Buildings	Leases & Rents	0	0	14	14	14	0	14
		0	0	14	14	14	0	14
Supplies & Services	Advertising	1	0	0	0	0	0	0
	Equipment & Furniture	157	168	175	173	178	173	173
	Insurance (Service Related)	4	6	6	6	6	6	6
	Materials	47	46	42	42	42	42	42
	Members Allowances & Expenses	380	373	379	379	379	379	379
	Postage	73	92	132	134	102	89	104
	Printing & Stationery	142	143	165	165	165	150	165
	General Supplies and Services	4	4	1	1	1	1	1
	Professional Services	60	78	30	3	0	0	2
	Public Consultation, Surveys	21	21	21	21	19	19	21
	Telephones	22	21	21	21	21	21	21
		911	952	972	945	913	880	914
Transport	Car Allowances	28	22	26	26	26	26	26
	Vehicles & Plant	35	34	35	35	35	35	35
		63	56	61	61	61	61	61
Total Service Expenditure		2,346	2,310	2,434	2,386	2,344	2,287	2,392
Income & Fees	Charges & Fees	(252)	(356)	(297)	(308)	(308)	(366)	(366)
	Costs Recovered	(78)	(40)	(54)	(54)	(54)	(54)	(54)
	Government Grants	0	0	(22)	(13)	(17)	10	68
	Licence Fees	(359)	(354)	(343)	(343)	(343)	(343)	(343)
	Sales	0	(2)	(1)	(1)	(1)	(1)	(1)
		(689)	(752)	(717)	(719)	(723)	(754)	(696)
Total Service Income		(689)	(752)	(717)	(719)	(723)	(754)	(696)
Net Service Budget		1,657	1,558	1,717	1,667	1,621	1,533	1,696
Objective Analysis:								
Direct Services	Central Services	(67)	(138)	17	15	(26)	(137)	22
	Corporate Services Democratic	476	461	463	459	459	459	463
	Environmental Serv - Licensing	(304)	(302)	(286)	(286)	(286)	(286)	(286)
	Printing External Work	0	(14)	(14)	(14)	(14)	(14)	(14)
Internal Services (rechargeable)	Document Centre	486	523	493	470	465	470	470
	Legal & Democratic Management	1,066	1,028	1,044	1,023	1,023	1,041	1,041
Net Service Budget		1,657	1,558	1,717	1,667	1,621	1,533	1,696

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Head of Environmental & Community Services		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget £000	Budget £000	Budget £000	Budget £000
Subjective Analysis:								
Employees	Salaries	1,347	1,249	1,287	1,252	1,219	1,219	1,219
	National Insurance & Pensions	337	305	324	324	324	354	355
	Overtime	11	15	11	11	11	11	11
	Hired Staff	0	8	0	0	0	0	0
	Allowances	10	3	10	10	10	10	10
	Recruitment	0	2	0	0	0	0	0
	Termination	0	2	0	0	0	0	0
	Training	24	36	23	23	23	23	23
		1,729	1,620	1,655	1,620	1,587	1,617	1,618
Benefit & Transfer Payments	Grants Paid	370	439	379	379	329	329	329
		370	439	379	379	329	329	329
Buildings	Building Structure	6	6	7	7	7	7	7
	Leases & Rents	17	20	11	11	11	11	11
		23	26	18	18	18	18	18
Supplies & Services	Advertising	23	14	19	19	19	19	19
	Equipment & Furniture	62	62	62	62	62	62	62
	Materials	7	7	7	7	7	7	7
	Postage	8	5	7	7	7	7	7
	Printing & Stationery	31	20	25	25	25	25	25
	Professional Services	87	90	139	136	106	75	74
	Public Consultation, Surveys	14	13	14	14	14	14	14
	Subscriptions	13	8	13	13	13	13	13
	Subsistence	3	3	3	3	3	3	3
	Telephones	10	8	6	6	6	6	6
		258	230	295	292	262	231	230
Transport	Car Allowances	64	47	64	64	64	64	64
	Vehicles & Plant	14	15	13	13	13	13	13
		78	62	77	77	77	77	77
Technical Adjustments	Renewals Fund Contribution	6	6	7	7	7	7	7
		6	6	7	7	7	7	7
Total Service Expenditure		2,464	2,383	2,431	2,393	2,280	2,279	2,279
Income & Fees	Charges & Fees	(151)	(148)	(214)	(218)	(188)	(156)	(156)
	Costs Recovered	(63)	(88)	(104)	(109)	(114)	(119)	(119)
	Licence Fees	0	(21)	0	0	0	0	0
	Lottery Grant	(77)	(50)	0	0	0	0	0
		(291)	(307)	(318)	(327)	(302)	(275)	(275)
Total Service Income		(291)	(307)	(318)	(327)	(302)	(275)	(275)
Net Service Budget		2,173	2,076	2,113	2,066	1,978	2,004	2,004
Objective Analysis:								
Direct Services	Community Initiatives	13	8	13	13	13	13	13
	Community Facilities	18	20	18	18	18	18	18
	Community Safety	324	380	327	322	267	262	262
	Leisure Policy	198	198	179	179	179	183	183
	Planning Policy	9	4	9	2	2	2	2
	Commercial Health	31	17	22	22	22	22	22
	Environmental Health	105	101	68	68	68	70	70
	Public Health	20	11	17	17	17	17	17
Internal Services (rechargeable)	ECHS Internal Services	34	24	26	26	26	26	26
	ECHS Management Units	1,409	1,307	1,422	1,387	1,354	1,379	1,379
	Service Administration	12	6	12	12	12	12	12
Net Service Budget		2,173	2,076	2,113	2,066	1,978	2,004	2,004

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Head of Operations		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	3,631	3,574	3,519	3,519	3,519	3,639	3,639
	National Insurance & Pensions	869	860	918	918	918	1,001	1,003
	Overtime	243	177	247	247	247	247	247
	Bonus	224	219	224	224	224	224	224
	Hired Staff	386	399	393	393	393	393	393
	Allowances	24	22	24	24	24	24	24
	Recruitment	2	0	2	2	2	2	2
	Termination	0	2	0	0	0	0	0
	Training	57	59	56	56	56	56	56
		5,436	5,312	5,383	5,383	5,383	5,586	5,588
Benefit & Transfer Payments	Grants Paid	43	73	44	44	44	44	44
	Irrecoverable V A T	8	9	3	3	3	3	3
		51	82	47	47	47	47	47
Buildings	Building Security	3	2	2	2	2	2	2
	Building Structure	48	21	22	22	22	22	22
	Energy	54	41	45	45	45	45	45
	Land	29	49	57	57	57	57	57
	Leases & Rents	14	15	14	14	14	14	14
	Property Taxes	226	219	228	228	228	228	228
	Water & Sewerage	14	13	15	15	15	15	15
		388	360	383	383	383	383	383
Supplies & Services	Advertising	23	15	22	22	22	22	22
	Equipment & Furniture	225	229	232	232	232	232	232
	Materials	204	237	211	211	211	211	211
	Postage	2	8	6	6	6	6	6
	Printing & Stationery	18	26	18	18	18	18	18
	General Supplies and Services	199	170	73	73	73	73	73
	Professional Services	133	84	169	146	144	144	144
	Public Consultation, Surveys	4	1	4	4	4	4	4
	Subscriptions	5	5	5	5	5	5	5
	Treasury Related Services	64	64	65	65	65	65	65
	Telephones	34	30	30	30	30	30	30
		911	869	835	812	810	810	810
Transport	Car Allowances	40	33	39	39	39	39	39
	Vehicles & Plant	1,345	1,209	1,366	1,366	1,366	1,366	1,366
		1,385	1,242	1,405	1,405	1,405	1,405	1,405
Technical Adjustments	Renewals Fund Contribution	121	121	99	99	99	99	99
		121	121	99	99	99	99	99
Total Service Expenditure		8,292	7,986	8,152	8,129	8,127	8,330	8,332
Income & Fees	Charges & Fees	(2,599)	(2,386)	(2,595)	(2,790)	(2,977)	(3,164)	(3,164)
	Commuted Sums	(117)	(185)	(171)	(124)	(124)	(244)	(244)
	Costs Recovered	(982)	(881)	(894)	(894)	(894)	(894)	(894)
	Government Grants	(12)	(23)	(12)	(12)	(12)	(12)	(12)
	Private Grants	(18)	(16)	(17)	(17)	(17)	(17)	(17)
	Rent	(56)	(44)	(49)	(49)	(49)	(49)	(49)
	Sales	(136)	(116)	(139)	(139)	(139)	(139)	(139)
		(3,920)	(3,651)	(3,877)	(4,025)	(4,212)	(4,519)	(4,519)
Total Service Income		(3,920)	(3,687)	(3,877)	(4,025)	(4,212)	(4,519)	(4,519)
Net Service Budget		4,372	4,299	4,275	4,104	3,915	3,811	3,813
Objective Analysis:								
Direct Services	Abandoned Vehicles	2	2	2	2	2	2	2
	CCTV	227	278	141	118	116	118	118
	Countryside	357	351	357	357	357	244	244
	Car Parks	(1,288)	(1,069)	(1,131)	(1,240)	(1,427)	(1,611)	(1,611)
	Emergency Planning	33	9	11	11	11	11	11
	Grounds Maint Other Organisation	(93)	(93)	(95)	(95)	(95)	(95)	(95)
	Markets	(116)	(111)	(120)	(120)	(120)	(120)	(120)
	Parks	74	(7)	0	47	47	47	47
	Recycling	(35)	(112)	(47)	(133)	(133)	(125)	(125)
	Trade Waste	(31)	(31)	(31)	(31)	(31)	(31)	(31)
	Refuse Collection	2,131	2,168	2,176	2,176	2,176	2,319	2,319
	Street Cleaning & Litter	1,034	897	986	986	986	997	997
Internal Services (rechargeable)	Fleet Management	269	269	278	278	278	281	281
	Grounds Maintenance	772	770	787	787	787	797	798
	Operations Mgmt Budgets	1,036	978	961	961	961	977	978
Net Service Budget		4,372	4,299	4,275	4,104	3,915	3,811	3,813

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Assistant Director (Environment, Growth & Planning)		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget £000	Budget £000	Budget £000	Budget £000
Subjective Analysis:								
Employees	Salaries	1,780	1,763	1,749	1,724	1,724	1,724	1,724
	National Insurance & Pensions	434	427	421	421	421	459	460
	Overtime	7	6	9	9	9	9	9
	Hired Staff	0	1	0	0	0	0	0
	Allowances	3	10	9	9	9	9	9
	Recruitment	0	4	0	0	0	0	0
	Training	18	12	14	14	14	14	14
		2,242	2,223	2,202	2,177	2,177	2,215	2,216
Benefit & Transfer Payments	Grants Paid	202	224	189	189	189	189	189
	Irrecoverable V A T	8	6	5	5	5	5	5
		210	230	194	194	194	194	194
Buildings	Building Structure	10	10	10	10	10	10	10
	Energy	19	19	19	19	19	19	19
	Land	1	1	1	1	1	1	1
	Property Taxes	2	0	0	0	0	0	0
	Water & Sewerage	15	15	16	16	16	16	16
		47	45	46	46	46	46	46
Supplies & Services	Advertising	7	7	7	7	7	7	7
	Equipment & Furniture	31	30	31	31	31	31	31
	Materials	10	10	10	10	10	10	10
	Postage	13	12	10	10	10	10	10
	Printing & Stationery	44	41	37	37	37	37	37
	General Supplies and Services	0	1	1	1	1	1	1
	Professional Services	649	535	575	317	268	193	193
	Subscriptions	2	0	0	0	0	0	0
	Subsistence	1	1	1	1	1	1	1
	Telephones	4	4	2	2	2	2	2
		761	641	674	416	367	292	292
Transport	Car Allowances	47	42	48	48	48	48	48
	Vehicles & Plant	6	6	6	6	6	6	6
		53	48	54	54	54	54	54
Technical Adjustments	Renewals Fund Contribution	11	(19)	12	12	12	12	12
		11	(19)	12	12	12	12	12
Total Service Expenditure		3,324	3,168	3,182	2,899	2,850	2,813	2,814
Income & Fees	Charges & Fees	(1,170)	(1,120)	(1,171)	(1,171)	(1,171)	(1,171)	(1,171)
	Costs Recovered	(187)	(258)	(204)	(240)	(260)	(260)	(260)
	Interest Received	(1)	0	0	0	0	0	0
	Rent	(88)	(89)	(99)	(99)	(99)	(99)	(99)
	Sales	(15)	(30)	(15)	(15)	(15)	(15)	(15)
		(1,461)	(1,497)	(1,489)	(1,525)	(1,545)	(1,545)	(1,545)
Total Service Income		(1,461)	(1,497)	(1,489)	(1,525)	(1,545)	(1,545)	(1,545)
Net Service Budget		1,863	1,671	1,693	1,374	1,305	1,268	1,269
Objective Analysis:								
Direct Services	Development Management	(1,109)	(1,107)	(1,163)	(1,274)	(1,294)	(1,294)	(1,294)
	Contributions To H R A	0	1	0	0	0	0	0
	Housing Services	(29)	(77)	(43)	(43)	(43)	(43)	(43)
	Car Parks Strategy	2	0	0	0	0	0	0
	Economic Development	93	15	91	5	5	5	5
	Planning Policy & Conservation	406	386	366	269	220	145	145
	Public Transport	11	11	11	11	11	11	11
	Private Housing Support	72	85	73	73	73	73	73
	Transportation Strategy	100	75	103	103	103	103	103
Internal Services	Head of Planning Int Services	3	3	3	3	3	3	3
	Head of Planning Mgmt Unit	2,314	2,279	2,252	2,227	2,227	2,265	2,266
Net Service Budget		1,863	1,671	1,693	1,374	1,305	1,268	1,269

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Service Manager Environmental Management		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	1,074	1,020	1,050	1,050	1,050	1,050	1,020
	National Insurance & Pensions	270	264	274	274	274	299	294
	Overtime	34	17	29	29	29	29	29
	Hired Staff	1	1	1	1	1	1	1
	Allowances	5	5	6	6	6	6	6
	Training	19	12	17	17	17	17	17
		1,403	1,319	1,377	1,377	1,377	1,402	1,367
Benefit & Transfer Payments	Irrecoverable V A T	8	11	8	8	8	8	8
	Precepts	390	390	399	399	399	399	399
		398	401	407	407	407	407	407
Buildings	Building Structure	289	304	317	317	317	317	317
	Energy	254	187	157	142	128	158	158
	Fixtures & Fittings	5	5	6	6	6	6	6
	Land	154	144	138	138	138	138	138
	Property Taxes	352	341	366	366	366	366	366
	Water & Sewerage	22	22	23	23	23	23	23
		1,076	1,003	1,007	992	978	1,008	1,008
Supplies & Services	Advertising	19	14	20	20	20	20	20
	Equipment & Furniture	71	41	39	39	39	39	39
	Materials	6	6	6	6	6	6	6
	Postage	10	4	9	9	9	9	9
	Printing & Stationery	21	12	18	18	18	18	18
	General Supplies and Services	47	47	48	48	48	48	48
	Professional Services	40	41	41	41	41	41	41
	Public Consultation, Surveys	4	4	4	4	4	4	4
	Subsistence	1	1	1	1	1	1	1
	Telephones	10	7	6	6	6	6	6
		229	177	192	192	192	192	192
Transport	Car Allowances	43	26	29	29	29	29	29
	Vehicles & Plant	28	28	29	29	29	29	29
		71	54	58	58	58	58	58
Technical Adjustments	Renewals Fund Contribution	69	35	46	46	46	46	46
		69	35	46	46	46	46	46
Total Service Expenditure		3,246	2,989	3,087	3,072	3,058	3,113	3,078
Income & Fees	Charges & Fees	(539)	(459)	(499)	(499)	(499)	(499)	(499)
	Commutated Sums	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	Costs Recovered	(29)	(49)	(91)	(75)	(60)	(50)	(50)
	Rent	(98)	(88)	(84)	(84)	(84)	(84)	(84)
		(667)	(597)	(675)	(659)	(644)	(634)	(634)
Total Service Income		(667)	(597)	(675)	(659)	(644)	(634)	(634)
Net Service Budget		2,579	2,392	2,412	2,413	2,414	2,479	2,444
Objective Analysis:								
Direct Services	Building Control	(498)	(430)	(445)	(445)	(445)	(445)	(445)
	Car Parks	47	57	48	48	48	48	48
	Drainage & Sewers	457	457	469	469	469	469	469
	Environmental Projects	56	37	(36)	(35)	(34)	6	6
	Environmental Improvements	44	25	35	35	35	35	35
	Closed Churchyards	5	5	6	6	6	6	6
	Public Conveniences	21	16	21	21	21	21	21
	Public Transport	108	101	100	100	100	100	100
	Street Naming	42	22	11	11	11	11	11
Internal Services (rechargeable)	Building Control Mgmt Budgets	434	418	441	441	441	448	448
	Eastfield House & depots	211	181	214	214	214	214	214
	Environmental Mgmt-Mgmt Unit	913	816	857	857	857	873	838
	Pathfinder House	699	647	650	650	650	652	652
	Staff Restaurant	40	40	41	41	41	41	41
Net Service Budget		2,579	2,392	2,412	2,413	2,414	2,479	2,444

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Service Manager Environmental Management		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	1,074	1,020	1,050	1,050	1,050	1,050	1,020
	National Insurance & Pensions	270	264	274	274	274	299	294
	Overtime	34	17	29	29	29	29	29
	Hired Staff	1	1	1	1	1	1	1
	Allowances	5	5	6	6	6	6	6
	Training	19	12	17	17	17	17	17
		1,403	1,319	1,377	1,377	1,377	1,402	1,367
Benefit & Transfer Payments	Irrecoverable V A T	8	11	8	8	8	8	8
	Precepts	390	390	399	399	399	399	399
		398	401	407	407	407	407	407
Buildings	Building Structure	289	304	317	317	317	317	317
	Energy	254	187	157	142	128	158	158
	Fixtures & Fittings	5	5	6	6	6	6	6
	Land	154	144	138	138	138	138	138
	Property Taxes	352	341	366	366	366	366	366
	Water & Sewerage	22	22	23	23	23	23	23
		1,076	1,003	1,007	992	978	1,008	1,008
Supplies & Services	Advertising	19	14	20	20	20	20	20
	Equipment & Furniture	71	41	39	39	39	39	39
	Materials	6	6	6	6	6	6	6
	Postage	10	4	9	9	9	9	9
	Printing & Stationery	21	12	18	18	18	18	18
	General Supplies and Services	47	47	48	48	48	48	48
	Professional Services	40	41	41	41	41	41	41
	Public Consultation, Surveys	4	4	4	4	4	4	4
	Subsistence	1	1	1	1	1	1	1
	Telephones	10	7	6	6	6	6	6
		229	177	192	192	192	192	192
Transport	Car Allowances	43	26	29	29	29	29	29
	Vehicles & Plant	28	28	29	29	29	29	29
		71	54	58	58	58	58	58
Technical Adjustments	Renewals Fund Contribution	69	35	46	46	46	46	46
		69	35	46	46	46	46	46
Total Service Expenditure		3,246	2,989	3,087	3,072	3,058	3,113	3,078
Income & Fees	Charges & Fees	(539)	(459)	(499)	(499)	(499)	(499)	(499)
	Commutated Sums	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	Costs Recovered	(29)	(49)	(91)	(75)	(60)	(50)	(50)
	Rent	(98)	(88)	(84)	(84)	(84)	(84)	(84)
		(667)	(597)	(675)	(659)	(644)	(634)	(634)
Total Service Income		(667)	(597)	(675)	(659)	(644)	(634)	(634)
Net Service Budget		2,579	2,392	2,412	2,413	2,414	2,479	2,444
Objective Analysis:								
Direct Services	Building Control	(498)	(430)	(445)	(445)	(445)	(445)	(445)
	Car Parks	47	57	48	48	48	48	48
	Drainage & Sewers	457	457	469	469	469	469	469
	Environmental Projects	56	37	(36)	(35)	(34)	6	6
	Environmental Improvements	44	25	35	35	35	35	35
	Closed Churchyards	5	5	6	6	6	6	6
	Public Conveniences	21	16	21	21	21	21	21
	Public Transport	108	101	100	100	100	100	100
	Street Naming	42	22	11	11	11	11	11
Internal Services (rechargeable)	Building Control Mgmt Budgets	434	418	441	441	441	448	448
	Eastfield House & depots	211	181	214	214	214	214	214
	Environmental Mgmt-Mgmt Unit	913	816	857	857	857	873	838
	Pathfinder House	699	647	650	650	650	652	652
	Staff Restaurant	40	40	41	41	41	41	41
Net Service Budget		2,579	2,392	2,412	2,413	2,414	2,479	2,444

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Head of Customer Services		2013/14		2014/15 Budget £000	Medium Term Plan			
		Budget £000	Forecast £000		2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000	2018/19 Budget £000
Subjective Analysis:								
Employees	Salaries	2,681	2,665	2,668	2,633	2,628	2,674	2,673
	National Insurance & Pensions	603	593	605	605	605	662	664
	Overtime	33	31	33	33	33	33	33
	Hired Staff	31	92	1	1	1	1	1
	Allowances	7	4	6	6	6	6	6
	Recruitment	0	1	0	0	0	0	0
	Training	44	16	41	41	41	41	41
		3,399	3,402	3,354	3,319	3,314	3,417	3,418
Benefit & Transfer Payments	Benefits	35,801	35,928	37,377	37,311	37,311	37,311	37,311
	Grants Paid	501	613	595	511	511	511	511
		36,302	36,541	37,972	37,822	37,822	37,822	37,822
Buildings	Building Structure	19	8	19	19	19	19	19
	Energy	2	2	2	2	2	2	2
	Leases & Rents	77	67	79	39	39	39	39
	Property Taxes	6	4	5	5	5	5	5
		104	81	105	65	65	65	65
Supplies & Services	Advertising	19	9	19	19	19	19	19
	Equipment & Furniture	114	178	131	131	131	131	131
	Insurance (Service Related)	2	1	2	2	2	2	2
	Materials	7	4	7	7	7	7	7
	Postage	98	113	96	96	96	96	96
	Printing & Stationery	85	68	70	70	70	70	70
	General Supplies and Services	16	16	18	18	18	18	18
	Professional Services	218	151	199	194	194	194	194
	Public Consultation, Surveys	9	12	9	9	9	9	9
	Subscriptions	2	0	1	1	1	1	1
	Treasury Related Services	6	3	6	6	6	6	6
Telephones	28	20	23	23	23	23	35	
		604	575	581	576	576	576	588
Transport	Car Allowances	45	33	47	47	47	47	47
	Vehicles & Plant	6	1	0	0	0	0	0
		51	34	47	47	47	47	47
Total Service Expenditure		40,460	40,633	42,059	41,829	41,824	41,927	41,940
Income & Fees	Bad Debts Provision	262	75	81	81	81	81	81
	Charges & Fees	(51)	(35)	(48)	(48)	(48)	(48)	(48)
	Costs Recovered	(1,243)	(1,200)	(1,307)	(1,223)	(1,223)	(1,223)	(1,223)
	Government Grants	(36,510)	(37,078)	(38,065)	(38,041)	(38,041)	(38,041)	(38,041)
		(37,542)	(38,238)	(39,339)	(39,231)	(39,231)	(39,231)	(39,231)
Total Service Income		(37,542)	(38,238)	(39,339)	(39,231)	(39,231)	(39,231)	(39,231)
Net Service Budget		2,918	2,395	2,720	2,598	2,593	2,696	2,709
Objective Analysis:								
Direct Services	Council Tax Support	(245)	(376)	(190)	(180)	(180)	(180)	(180)
	Economic Development	31	0	0	0	0	0	0
	Housing Benefits	(604)	(764)	(677)	(729)	(729)	(729)	(729)
	Homelessness	351	227	273	293	293	293	293
	Housing Services	17	18	18	18	18	18	18
Local Tax Collection	(576)	(568)	(586)	(586)	(586)	(586)	(586)	
Internal Services (rechargeable)	Internal Services: Customer Service	1,130	989	1,125	1,050	1,045	1,053	1,065
	Revenues Management Units	2,814	2,870	2,757	2,732	2,732	2,827	2,828
Net Service Budget		2,918	2,396	2,720	2,598	2,593	2,696	2,709

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Service Manager Information Management		2013/14		2014/15	Medium Term Plan			
		Budget £000	Forecast £000	Budget £000	2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000	2018/19 Budget £000
Subjective Analysis:								
Employees	Salaries	1,149	974	1,015	860	860	850	850
	National Insurance & Pensions	299	265	286	270	270	300	301
	Overtime	6	7	6	8	8	8	8
	Hired Staff	(21)	142	29	14	(16)	(16)	(114)
	Allowances	1	1	1	1	1	1	1
	Training	23	23	24	24	24	24	24
		1,457	1,412	1,361	1,177	1,147	1,167	1,070
Supplies & Services	Advertising	2	2	2	2	2	2	2
	Equipment & Furniture	278	278	285	285	285	285	285
	Postage	1	1	1	1	1	1	1
	Printing & Stationery	3	3	3	3	3	3	3
	Professional Services	10	10	10	43	43	43	43
	Telephones	155	147	158	154	154	154	154
		449	441	459	488	488	488	488
Transport	Car Allowances	16	16	17	17	17	17	17
		16	16	17	17	17	17	17
Total Service Expenditure		1,922	1,869	1,837	1,682	1,652	1,672	1,575
Income & Fees	Charges & Fees	(34)	(34)	(35)	(35)	(35)	(55)	(55)
	Sales	(1)	(1)	(1)	(1)	(1)	(1)	(1)
		(35)	(35)	(36)	(36)	(36)	(56)	(56)
Total Service Income		(35)	(35)	(36)	(36)	(36)	(56)	(56)
Net Service Budget		1,887	1,834	1,801	1,646	1,616	1,616	1,519
Objective Analysis:								
Direct Services	External Services: IMD	(31)	(31)	(31)	(31)	(31)	(51)	(51)
Internal Services (rechargeable)	Internal Services: IMD	1,918	1,865	1,832	1,677	1,647	1,667	1,570
Net Service Budget		1,887	1,834	1,801	1,646	1,616	1,616	1,519

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

General Manager One Leisure		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget	Budget	Budget	Budget
Subjective Analysis:								
Employees	Salaries	3,898	3,738	3,738	3,738	3,738	3,738	3,738
	National Insurance & Pensions	592	575	588	588	588	645	646
	Overtime	22	35	26	26	26	26	26
	Bonus	1	0	0	0	0	0	0
	Hired Staff	15	15	15	15	15	15	15
	Allowances	15	9	15	15	15	15	15
	Childcare Admin Vouchers	1	0	0	0	0	0	0
	Commission On Sales	17	14	1	1	1	1	1
	Employee Insurance	0	1	1	1	1	1	1
	Recruitment	4	3	3	3	3	3	3
	Training	56	44	51	51	51	51	51
		4,621	4,434	4,438	4,438	4,438	4,495	4,496
Benefit & Transfer Payments	Grants Paid	0	2	0	0	0	0	0
	Irrecoverable V A T	94	87	90	90	90	90	90
		94	89	90	90	90	90	90
Buildings	Building Security	11	11	11	11	11	11	11
	Building Structure	257	274	266	266	266	266	266
	Energy	541	525	526	526	526	526	526
	Fixtures & Fittings	57	79	66	66	66	66	66
	Land	16	22	11	11	11	11	11
	Leases & Rents	1	0	0	0	0	0	0
	Property Taxes	446	446	454	454	454	454	454
	Water & Sewerage	109	105	109	109	109	109	109
		1,438	1,462	1,443	1,443	1,443	1,443	1,443
Supplies & Services	Advertising	89	89	88	88	88	88	88
	Equipment & Furniture	313	364	345	345	345	345	345
	Materials	461	418	435	435	435	435	435
	Postage	10	7	6	6	6	6	6
	Printing & Stationery	59	54	56	56	56	56	56
	General Supplies and Services	79	89	83	83	83	83	83
	Professional Services	75	97	208	267	310	310	310
	Public Consultation, Surveys	4	1	1	1	1	1	1
	Subscriptions	0	0	0	0	0	0	0
	Treasury Related Services	37	46	47	47	47	47	47
	Subsistence	0	1	0	0	0	0	0
	Telephones	12	9	10	10	10	10	10
		1,139	1,175	1,279	1,338	1,381	1,381	1,381
Transport	Car Allowances	14	18	15	15	15	15	15
	Vehicles & Plant	13	13	13	14	14	14	14
		27	31	28	29	29	29	29
Technical Adjustments	Renewals Fund Contribution	26	25	26	26	26	26	26
		26	25	26	26	26	26	26
Total Service Expenditure		7,345	7,216	7,304	7,364	7,407	7,464	7,465
Income & Fees	Charges & Fees	(5,978)	(5,826)	(6,424)	(6,630)	(6,685)	(6,703)	(6,727)
	Costs Recovered	(2)	(13)	(2)	(2)	(2)	(2)	(2)
	Government Grants	0	(1)	0	0	0	0	0
	Rent	(216)	(177)	(191)	(191)	(191)	(191)	(191)
	Sales	(880)	(818)	(896)	(896)	(896)	(896)	(896)
		(7,076)	(6,835)	(7,513)	(7,719)	(7,774)	(7,792)	(7,816)
Total Service Income		(7,076)	(6,835)	(7,513)	(7,719)	(7,774)	(7,792)	(7,816)
Net Service Budget		269	381	(209)	(355)	(367)	(328)	(351)
Objective Analysis:								
Direct Services	One Leisure Sites (Recreation & Sport)	50	186	(430)	(576)	(588)	(554)	(577)
Internal Services (rechargeable)	One Leisure Management Units	219	195	221	221	221	226	226
Net Service Budget		269	381	(209)	(355)	(367)	(328)	(351)

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Assistant Director (Financial & Resources) & Non Allocated Items		2013/14		2014/15		Medium Term Plan			
		Budget	Forecast	Budget	Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:									
Employees	Salaries	802	793	844	844	844	844	844	844
	National Insurance & Pensions	241	218	223	223	223	244	244	244
	Overtime	1	0	1	1	1	1	1	1
	Hired Staff	35	20	36	36	36	36	36	36
	Allowances	0	5	5	5	5	5	5	5
	Employee Insurance	93	99	102	102	102	102	102	102
	Termination	1	0	1	1	0	0	0	0
	Training	25	14	6	6	6	6	6	6
		1,198	1,149	1,218	1,218	1,217	1,238	1,238	1,238
Benefit & Transfer Payments	Grants Paid	357	357	9	9	9	9	9	9
	Irrecoverable V A T	1	1	1	1	1	1	1	1
		358	358	10	10	10	10	10	10
Buildings	Building Security	52	52	53	53	53	53	53	53
		52	52	53	53	53	53	53	53
Supplies & Services	Equipment & Furniture	66	65	70	70	70	70	70	70
	Insurance (Service Related)	83	70	85	85	85	85	85	85
	Interest Paid	704	438	888	900	920	1,086	1,428	1,428
	Materials	4	0	0	0	0	0	0	0
	Postage	9	4	3	3	3	3	3	3
	Printing & Stationery	(7)	17	26	26	26	26	26	26
	Professional Services	54	86	58	58	58	58	58	58
	Subscriptions	3	6	6	6	6	6	6	6
	Treasury Related Services	56	73	57	57	57	57	57	57
	External Audit Fees	163	114	118	117	117	117	117	117
		1,135	873	1,311	1,322	1,342	1,508	1,850	1,850
Transport	Car Allowances	4	3	6	6	6	6	6	6
	Vehicles & Plant (Insurance)	80	103	111	111	111	111	111	111
		84	106	117	117	117	117	117	117
Technical Adjustments	Minimum Revenue Provision	1,255	1,118	1,623	1,992	2,158	2,509	2,784	2,784
	Pay Protection & Performance Pay	320	0	187	119	279	431	570	570
	Contingencies	(148)	21	123	793	1,006	1,350	1,960	1,960
	Pension Contribution Lump Sum	1,139	1,139	789	1,135	1,510	1,574	1,574	1,574
	Unallocated Savings	0	0	0	(700)	(1,300)	(1,799)	(2,100)	(2,100)
		2,566	2,278	2,722	3,339	3,653	4,065	4,788	4,788
Total Service Expenditure		5,393	4,816	5,431	6,059	6,392	6,991	8,056	8,056
Income & Fees	Charges & Fees	(2)	(2)	(22)	(27)	(27)	(27)	(27)	(27)
	Costs Recovered	0	(90)	0	0	0	0	0	0
	Government Grants	0	(102)	(45)	(45)	0	0	0	0
	Interest Received	(445)	(271)	(594)	(642)	(696)	(749)	(752)	(752)
	Sales	0	(2)	0	0	0	0	0	0
		(447)	(467)	(661)	(714)	(723)	(776)	(779)	(779)
Total Service Income		(447)	(467)	(661)	(714)	(723)	(776)	(779)	(779)
Net Service Budget		4,946	4,349	4,770	5,345	5,669	6,215	7,277	7,277
Objective Analysis:									
Direct Services	Risk Contingency	186	0	301	913	1,286	1,783	2,531	2,531
	Corporate Management	189	181	174	174	174	174	174	174
	Pensions Termination Benefits	1	0	1	1	0	0	0	0
	General Bad Debt Provision	21	21	11	1	1	1	1	1
	Minimum Revenue Provision	1,255	1,118	1,624	1,992	2,158	2,509	2,785	2,785
	Pension Contribution Lump Sum	1,139	1,139	789	1,135	1,510	1,574	1,574	1,574
	Grants To Towns & Parishes	357	357	9	9	9	9	9	9
	Investment Interest	268	174	303	267	233	346	685	685
	Other Exp: Grants	0	(102)	(45)	(45)	0	0	0	0
	Other Exp: Savings Budgets	0	0	0	(700)	(1,300)	(1,799)	(2,100)	(2,100)
Internal Services (rechargeable)	Internal Services: Financial Systems	64	51	54	54	54	54	54	54
	Audit Budget	572	510	625	625	625	628	628	628
	Head of Finance Mgmt Unit	124	140	102	97	97	100	100	100
	Accountancy Budgets	718	704	765	765	765	778	778	778
	Procurement	52	56	57	57	57	58	58	58
Net Service Budget		4,946	4,349	4,770	5,345	5,669	6,215	7,277	7,277

TABLE 4 - Final Budget 2014/15

MTP Variation Analysis from 2013/14 Base

The following details the budget variations from the 2013/14 base budget on a controllable budget basis. The budgets are shown for each Head of Service or, in a few cases, the Managing Director. There are some items in the Unallocated section that will be allocated once the budget is approved.

The Controllable Budget is the fundamental focus for budgetary control within the authority. Budget Forecasting and Variance Analysis will follow a standard format; however bespoke formats are used in exceptional cases, and only at the discretion of the Head of Resources, e.g. pay-back on proposed projects, option choice, setting fees and charges.

It shows the individual variations included in the MTP allocated to each budget area and colour codes those schemes where further approval is required before they can commence.

KEY

Managing Director and then Cabinet
Head of Service following consultation with the Managing Director or relevant Corporate Director and the Executive Councillors for the Service and Resources
Managing Director
Head of Service for any unshaded items

Bid No.	Scheme	REVENUE										NET CAPITAL					
		F'CAST		BUDGET		MTP		BASE		F'CAST		BUDGET		MTP			
		2013	2014	2014	2015	2016	2017	2018	2013	2014	2013	2014	2015	2016	2017	2018	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	Central Services																
FF0015	Land Charges market service, review fees & costs		-13	-23	-23	-23	-23	-23	-23								
FF0016	Elections: efficiency savings & improved csot recovery		-2	-3	-3	-3	-3	-3	-3								
	Democratic Representation																
FF0017	Committee savings: reduced catering, charge/discontinue support for Town Centres		-5	-5	-5	-5	-5	-5	-5								
FF0018	Member support: training and office savings		-8	-8	-8	-8	-8	-8	-8								
	Document Centre																
FF0019	Reduction in cost of print - to be allocated across all relevant service budgets		-27	-30	-30	-30	-30	-30	-30								
FF0020	Office costs and post room savings		-10	-10	-10	-10	-10	-10	-10								
Head of Environmental and Community Services																	
	Environmental Health																
1061	Deletion of Commercial Team Post			-35	-35	-35	-35	-35	-35								
SM	Review Pest Control Service		-38	-38	-38	-38	-38	-38	-38								
SM	Health & Safety Contract		-9	-9	-9	-9	-9	-9	-9								
953	Planning Policy & Conservation			-7	-7	-7	-7	-7	-7								
	Parish Planning																
	Community Initiatives																
952	Loves Farm Community Centre			-11	-11	-11	-11	-11	-11								
1060	Deletion of Arts Development Budget		-11	-50	-50	-50	-50	-50	-50								
1063	Reduction in Voluntary Grants			-33	-33	-33	-33	-33	-33								
1065	Review of Community Development Service																
				60													
																37	

Bid No.	Scheme	REVENUE										NET CAPITAL						
		BASE		F'CAST		BUDGET		MTP		BASE		F'CAST		BUDGET				
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2013	2014	2015	2016	2017	2018	2019
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	Leisure Policy and Development																	
845	Physical Activity Initiatives for Adults	-7	-7	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9
1064	Reduction to Leisure Development Budget			-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
	Environmental & Community Health MU																	
#	Environmental & Community Health savings	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65
1062	ECHS Income Generation		-9	-19	-24	-29	-34	-34	-34	-34	-34	-34	-34	-34	-34	-34	-34	-34
	Head of Operations																	
	Refuse and Recycling																	
948	Provision for Bin Replacements																	
650	Recycling Credits		53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
969	Recycling Gate Fees	-138	-149	-189	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275
979	Wheeled Bins for New Properties																	
1030	Charge for second green bin	-101	-49	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106
1031	Extra refuse round due to housing growth																	
1052	Bulky refuse income and expenditure		20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
FF0025	Nightsoil service no longer required		-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11
	Street Cleaning and Litter																	
1051	Street Cleaning Savings			-70	-70	-70	-70	-70	-70	-70	-70	-70	-70	-70	-70	-70	-70	-70
FF0022	Withdraw graffiti removal & fly posting service			-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3
FF0021	Fixed penalty notices for dog fouling & littering			-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5
	Community Safety																	
865	CCTV - Camera replacements																	
1023	Wireless CCTV			-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50
1056	CCTV Shared Service		48	-38	-61	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63
	Central Services (Emergency Planning)																	
1099	Emergency planning budget savings			-23	-23	-23	-23	-23	-23	-23	-23	-23	-23	-23	-23	-23	-23	-23

Bid No.	Scheme	REVENUE										NET CAPITAL																	
		F'CAST		BUDGET		MTP						F'CAST		BUDGET		MTP													
		2013	2014	2014	2015	2015	2016	2016	2017	2017	2018	2018	2019	2019	2013	2014	2014	2015	2015	2016	2016	2017	2017	2018	2018	2019	2019		
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000			
Assistant Director (Environment, Growth and Planning)																													
Development Management																													
904	Community Infrastructure Levy - Preparations	-92	-92	-143	-179	-199	-199	-199	-199	-199	23	23																	
997	RAF Alconbury Development	75	75	75	-30	-30	-30	-30	-30	-30																			
1068	CIL related staff reorganisation			-30																									
1072	Wyton Airfield Development			50	75	75	75	75	75	75																			
FF0003	Implement E-Consultation			-2	-2	-2	-2	-2	-2	-2																			
SM FF	Recover Consultants Costs			-1	-1	-1	-1	-1	-1	-1																			
Planning Policy and Conservation																													
358	Ramsey Rural Renewal	-19	-236	-5	-5	-5	-5	-5	-5	-5	63	63																	
903	Local Development Framework examinations			-54	-176	-225	-225	-225	-225	-225																			
1073	Listed Building /Conservation Grants			-37	-37	-37	-37	-37	-37	-37																			
1075	Planning & Housing Strategy Efficiency Saving			-17	-17	-17	-17	-17	-17	-17																			
Economic Development																													
224	Town Centre Developments	86	86	86									210	116	74	100													
401	Huntingdon Town Centre Development												10																
850	Huntingdon West Development (Housing Growth Fund)												473	450	-200	-200													
998	St Neots Development	4	4																										
Car Parks																													
923	Extra Car Parking, Huntingdon Town Centre	57	57	120	27	-159	-344	-344	-344	-344			3,973	4,760	-500	-500													
480	Car Park Strategy		10																										
SAV132	Reduced Car Park Income due to "free after 3 PM scheme"		82																										

Bid No.	Scheme	REVENUE										NET CAPITAL											
		BASE		F'CAST	BUDGET		MTP					BASE		F'CAST	BUDGET		MTP						
		2013	2014	2013	2014	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019	2013	2014	2015	2016	2017	2018	2019	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
FF0005	DECC Communities Funding				-16																		
FF0006	Referral Fees Action on Energy Scheme				-10					-10													
FF0007	Mobilising Local Energy Investment Funding			-15						-15													
FF0024	Energy Saving Equipment				-10					-20													
	Public Transport																						
1036	Reduced Bus Shelter and Env Imps R&R Budget			-20						-20													
1038	Street Naming and Numbering Savings			-20						-32													
	Car Parks																						
461	Car Park Repairs																						151
	Environmental Improvements																						
703	Heart of Oxmoor																						
	Offices																						
890	Headquarters																						
986	Major repairs and replacements																						
1012	Rental of space in PFH			-88						-63													
1033	Reduced Facilities Management Costs			-85						-85													
FF0004	Energy & Water Use Audits									-2													
	Building Control																						
1086	Building Control Income			60						60													
	Environmental Mgmt Management Budget																						
1034	Reduction in Training Budget			-3						-3													
1035	Removal of charge to capital (legacy cost pursuant to Service)			15						15													
1037	Reduced Project & Assets Team Management Budget			-25						-25													

Bid Scheme No.		REVENUE						NET CAPITAL							
		BASE 2013	F'CAST 2013	BUDGET 2014	MTP			BASE 2013	F'CAST 2013	BUDGET 2014	MTP				
		£000	£000	£000	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
Head of Customer Services															
Housing Benefits															
996	Loss of Fraud Team Funding			22	22	22	22	22							
Local Taxation and Benefits															
1017	Council Tax support module			-5	-5	-5	-5	-5							
1025	Cost of Post Office Payments		-10	-30	-30	-30	-30	-30							
1059	NNDR Discretionary Relief		-30	50	50	50	50	50							
1100	Loss of Admin Subsidy		-177	-177	-177	-177	-177	-177							
1104	Lower Bad Debt Provision Contributions		-85	-10	-10	-10	-10	-10							
SM FF	Recovery of Council Tax Benefit Overpayments		-74	-74	-74	-74	-74	-74							
Call Centre															
981	Call Centre CRM Replacement		-74	-25	-25	-25	-25	-25							
1066	New Call Centre Savings-Inc/Restructuring		-40	-40	-40	-40	-40	-40							
SM FF	Relocate Call Centre to PFH		-5	-5	-5	-5	-5	-5							
SM FF	Chanel Migration Strategy		-15	-15	-15	-15	-15	-15							
Customer Service Centres															
#	Reduce hours at Huntingdon Customer Service Centre		-7	-14	-14	-14	-14	-14							
1015	Line Rental Saving		-24	-24	-24	-24	-24	-24							
SM FF	Chanel Migration Strategy		-5	-5	-5	-5	-5	-5							
Housing Services															
702	Mobile Home Park, Eynesbury		3	3	3	3	3	3							
SM FF	Efficiency Savings		-5	-5	-5	-5	-5	-5							
Homelessness															
1019	Homeless Accommodation - Cost Reduction Schemes		-138	-138	-138	-170	-170	-170							
1020	Homeless Accommodation - Extra Cost		158	158	210	210	210	210							
Housing MU															
993	Maintain Service Level (Advice and Homelessness)		65	65											

Bid No.	Scheme	REVENUE										NET CAPITAL						
		BASE		F'CAST		BUDGET		MTP		BASE		F'CAST		BUDGET		MTP		
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2013	2014	2013	2014	2015	2016	2017	2018
£000		£000		£000		£000		£000		£000		£000		£000		£000		
Strategic Review																		
Outsourced/Shared Revs and Bens																		
Strategic Review																		
Outsourced/Shared Revs and Bens																		
Service Manager IMD																		
Helpdesk and Network Services																		
958	Help Desk Saving																	
959	Network and ICT Services																	
#	IMD Staff savings																	
#	IMD Contract Savings																	
970	Telephony and ICT Network Renewal																	
976	ICT Replacements and Server Virtualisation																	
1079	Mobile Phones (lower tariffs)																	
Strategic Review																		
Outsourced/Shared IT																		
Web and Business Systems																		
SAV117	IMD Shared Service Income																	
Business Analysis and Project Management																		
495	Corporate EDM																	
891	Business Systems																	
900	Working Smarter																	
1002	Business Continuity Review																	
1102	IMD Savings & Delivering Cust Serv Strategy																	
General Manager, OneLeisure																		
Leisure Centres																		
857	St Neots LC Development																	
861	Future maintenance																	
896	St Ivo LC - Football Improvements																	
922	St Ivo LC Redevelopment																	

Bid No.	Scheme	REVENUE										NET CAPITAL							
		BASE		F'CAST		BUDGET		MTP		2018		BASE	F'CAST	BUDGET	MTP				
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2018	2013	2014	2015	2016	2017	2018	2019
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
956	Replacement Fitness Equipment	-22	-4	-25	-50	-50	-50	-50	-75	-75	330	50	200	250	250				
	Leisure Savings Target not yet identified	78	78	55	40	46	46	46	46	46									
	Leisure Savings	-190	-190	-300	-400	-400	-400	-400	-400	-400									
	Overperformance			-107	8	4	4	4	4	4									
	Estimated need to rephrase target	-50	-50	-50	-50	-50	-50	-50	-50	-50									
1006	OLSI Replacement Tractor & Mower	-6	-6	-6	-6	-6	-6	-6	-6	-6									
1029	One Leisure Savings Proposals	0	0	12	12	10	10	10	10	10									
922	One Leisure St Ives Redevelopment			75															
SM FF	Review Advantage Package			-25	-50	-70	-70	-70	-70	-70									
SM FF	One Leisure Card Annual Fee			-45	-45	-45	-45	-45	-45	-45									
SM FF	Reduce Use of External Contractors			-2	-2	-2	-2	-2	-2	-2									
Assistant Director (Finance and Resources)																			
Interest and Borrowing Costs																			
	Interest	674	843	870	882	901	1068	1410											
Other Expenditure																			
	VAT Partial Exemption	6	7	-5	-5	-5	-5	-5	-5	-5									
950	Doubtful Debts Provision	-20	-20	-30	-40	-40	-40	-40	-40	-40									
	Variation in MRP	273	136	641	1,011	1,176	1,527	1,802											
***	Pensions Fixed Sum	479	479	129	475	850	914	914											
1057	Huntingdonshire Regional College Loan		-72	-146	-149	-153	-156	-159											
1076	Saving in External Audit Fee		-50	-50	-50	-50	-50	-50											
1077	Insurance Premium Income		28	34	34	34	34	34											
1081	Advertising Opportunities			-20	-25	-25	-25	-25											
1082	Reduce training budgets			-20	-20	-20	-20	-20											
1083	Margin on Loans to RSL's etc			-21	-66	-116	-166	-166											
1085	No grants to towns/parishes re. Housing Support			-357	-357	-357	-357	-357											
1087	Group Life Insurance		-21	-21	-21	-21	-21	-21											
1101	Removal of Credit Interest Budget		6	6	6	6	6	6											
	NI increase: From "D" Rate to "A" Rate																		

Bid Scheme No.	REVENUE										NET CAPITAL								
	BASE		F'CAST		BUDGET		MTP		BASE		F'CAST		BUDGET		MTP				
	2013	2014	2013	2014	2014	2015	2016	2017	2018	2013	2014	2013	2014	2014	2015	2016	2017	2018	2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Non-Allocated Items																			
Recharges to Non-Revenue Accounts																			
Revenue staff charged to capital																			
Risk Provision																			
Formula Grant reduction due to New Homes Bonus																			
Reduced New Homes Bonus (long term empties)																			
Provision for demographic growth																			
Lower increase in car park charges																			
Lower Council Tax Rises																			
Protection and Performance Pay																			
Homelessness																			
NDR Appeals (Half way to safety net)																			
Refund of Land Charges (assume half)																			
Other Items																			
Reorganisation - Senior managers																			
Pay & allowances Review																			
Capital Inflation																			
Revenue Inflation																			
Grant to Towns and Parishes (Loss of Taxbase)																			
Spending Adjustments still to be identified																			
20013/14 Forecast variations																			
Removal of T/O allowance																			
Correction of contingency and internal recharges																			
Roundings																			
1098	-1	-1	-6	-2	-2	-8	-6	-21	-21	250	250	250	250	250	250	250	250	250	250
TOTAL																			
	22,764	21,127	20,870	20,389	20,294	20,863	21,955	8,863	11,900	4,623	2,511	3,845	3,914	3,369					

TABLE 5 - Capital Programme

KEY

Managing Director and then Cabinet		FMS Code	NET CAPITAL						
Head of Service following consultation with the Managing Director or relevant Corporate Director and the Executive Councillors for the Service and Resources			BASE	F'CAST	MTP				
Managing Director			2013	2013	2014	2015	2016	2017	2018
Head of Service for any unshaded items			2014	2014	2015	2016	2017	2018	2019
		£000	£000	£000	£000	£000	£000	£000	
Managing Director and Corporate Office									
Planning	Economic Development (Estates)								
1049	Invest to Save Proposal - Highlode (Ramsey)	Q105	263						
Head of Legal & Democratic Services									
Internal Services	Document Centre								
380	Replacement Printing Equip.	M003	70	25	178				
894	Replacement Equipment Document Centre	M003	46	12	33	9	33	28	
895	Multi-functional Devices	M024	80	80				80	
Head of Environmental and Community Services									
Community Services	Community Initiatives								
952	Loves Farm Community Centre	K504	60	37					
Head of Operations									
Environmental Services	Refuse and Recycling								
948	Provision for Bin Replacements	E304	38	29	42	54	75	75	
979	Wheeled Bins for New Properties	E304	143	107	255	135	130	110	
1030	Charge for second green bin	E305	20	32					
1031	Extra refuse round due to housing growth	E306						158	
	Street Cleaning and Litter								
FF0022	Withdraw graffiti removal & fly posting service		-20						
	Community Safety								
865	CCTV - Camera replacements	K010	41	77	45	45	43		
1023	Wireless CCTV	K012	250	290					
1056	CCTV Shared Service	K014			2	2	150	65	
	Countryside								
1053	Flail Mower - Countryside	L013	12						
	Parks and Open Spaces								
854	Play Equipment & Safety Surface Renewal	L501	45	45	40	40	20	20	
854EY	Play Equipment & Safety Surface Renewal	L501						21	
1097	S.106 Play Area Projects	L524	75		47				
	Vehicles and Plant								
886	Vehicle fleet replacements.	N002	1,124	1,221	1,079	715	720	889	
	In Cab Technology	N008	70	70					
Internal Services	Pool Cars								
1026	Pool Cars	MF10	60						
Assistant Director (Environment, Growth and Planning)									
Planning	Development Management								
904	Community Infrastructure Levy - Preparations	P011	23	23					
	Planning Policy and Conservation								
358	Ramsey Rural Renewal	P006	63						
	Economic Development								
224	Town Centre Developments	P004	210	116	74	100			
401	Huntingdon Town Centre Development	Q301	10						
850	Huntingdon West Development (Housing Growth Fund)	Q418	473	450	941	-200	-55	-200	
	Car Parks								
923	Extra Car Parking, Huntingdon Town Centre	T214	3,973	4,760	-500	-500			
	Private Housing Support								
866	Disabled Facilities Grants	H504	1,550	1,043	1,450	1,250	1,250	1,250	
867	Repairs Assistance	H502	100	170	100	100	100	100	
869	Social Housing Grant	H506	118	120					
932	Decent Homes - Thermal Efficiency and Category 1 H&S	H507/D013	50	25	10	10	10	10	
1074	Two replacement static caravans	H003	30						
FF0001	Review Housing Renewal Assistance Policy	H502			-25	-25	-25	-25	

Service Manager Environmental Management							
Environmental Services	Drainage & Sewers						
1009	Godmanchester Flood Alleviation Scheme	E008	175	175			
	Environmental Health (Energy Efficiency)						
879	Environment Strategy Funding	E127	55	58	105	55	55
880	Sustainable Homes Retrofit	E129	-415			-180	-235
918	Building Efficiency Improvements (Salix Grant)	D010	77	50	50	62	77
	Car Parks						
461	Car Park Repairs	T213			151		
	Environmental Improvements						
703	Heart of Oxmoor	Q401	-1,366	-1,366			
1011	Chequers Court Public Realm	E132					
H D C Offices	Offices						
890	Headquarters	M015	-420		-300	-120	
986	Major repairs and replacements	M001			50		
Head of Customer Services							
Corporate Services	Local Taxation and Benefits						
1017	Council Tax support module	M319		35			
Service Manager IMD							
Internal Services	Helpdesk and Network Services						
958	Help Desk Saving	M318	75	75	75	75	75
970	Telephony and ICT Network Renewal	M182				100	100
976	ICT Replacements and Server Virtualisation	M196	258	258	57	57	277
	Business Analysis and Project Management						
891	Business Systems	M163	225	259	200	200	200
General Manager, OneLeisure							
Community Services	Leisure Centres						
861	Future maintenance	L350	272	279	322	322	385
896	St Ivo LC - Football Improvements	L221	-53			-53	
922	St Ivo LC Redevelopment	L143	1,000	1,358			
956	Replacement Fitness Equipment	L357	330	50	200	250	250
Assistant Director (Finance and Resources)							
	Other Expenditure						
	VAT Partial Exemption	ZB17	53	74	27	23	22
1057	Huntingdonshire Regional College Loan	M050		1,500			31
Non-Allocated Items							
Non-Allocated Items	Recharges to Non-Revenue Accounts						
	Revenue staff charged to capital		50	50	50	50	50
	Other Items						
	Capital Inflation					61	185
	Schemes brought forward		500	500	500	500	500
	Schemes carried forward		-500	-500	-500	-500	-500
	TOTAL		8,863	11,900	4,623	2,511	3,845
							3,914
							3,369

APPENDIX B

BUDGET UPDATE - COUNCIL TAX FREEZE GRANT

DCLG have now confirmed this will be added to the base rather than just being for 2 years.

Hence this update to various tables.

Numbers that have changed are highlighted in yellow.

There will also be a change to the tables in the Appendix from the consequential reduction in the risk contingency. Rather than replace these it is proposed to change the first recommendation to:

“Approval of the proposed Budget and MTP as shown in the Budget Tables in the Appendix to this report, subject to the amendments shown in the Budget Update note and any detailed consequential amendments to the Tables”.

PARA 7.3

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
BASE OPTION					
Council Tax Increase	£0	2%	2%	2%	2%
After Risk Provision	£0	£0	2%	2%	2%
OPTION 1	£5	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-205	-285	-305	-324	-343
OPTION 2	2%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-71	-147	-163	-176	-189
OPTION 3	1.5%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-33	-108	-122	-134	-145
OPTION 4	1%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	5	-69	-82	-92	-102
OPTION 5	£0	2%	3.5%#	3.5%	3.5%
CHANGE IN SAVINGS NEEDED		-72	-202	-339	-488
+ = more required - = less required					

PARA 8.3

PROPOSED BUDGET/MTP	FORECAST 2013/14 £000	BUDGET 2014/15 £000	MTP			
			2015/16	2016/17	2017/18	2018/19
			£000	£000	£000	£000
2012/13 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,447	-3,272
NEW FORECAST	21,126	20,870	20,389	20,294	20,780	21,869
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-355	-389	-608
Remaining revenue reserves EOY	10,032	9,027	7,910	7,555	7,166	6,558
New Homes Grant	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant		-82	-82	-82	-82	-82
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
% increase	3.63%	0.00%	2.00%	2.00%	2.00%	2.00%
£ increase	£4.67	£0.00	£2.66	£2.72	£2.77	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

PARA 8.4

PROPOSED BUDGET/MTP	FORECAST 2013/14 £000	BUDGET 2014/15 £000	MTP			
			2015/16	2016/17	2017/18	2018/19
			£000	£000	£000	£000
Forecast additional borrowing	11,041	3,823	2,111	3,545	3,614	3,069
Average borrowing in year net of Minimum Revenue Provision	31,883	37,945	39,104	39,857	41,103	41,798
Net Interest and Borrowing Costs						
- total	1,444	1,903	2,282	2,460	2,976	3,587
- as % of total net spending	6.8%	9.1%	11.2%	12.1%	14.3%	16.4%
- in excess of 15%						307

APPENDIX C

TREASURY MANAGEMENT POLICY STATEMENT

Definition

The Council defines its treasury management activities as:

- the management of the Council's investments, cash flows, banking, money market and capital market transactions.
- the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Risk management

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

Value for money

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Borrowing policy

The Council needs to balance a number of elements in its borrowing policy for funding capital expenditure:

- Utilising a mixture of borrowing periods to reduce the overall impact of changes in interest rates.
- Creating certainty by fixing borrowing for longer periods.
- Minimising the long term cost of any borrowing.
- Ensuring that short term costs are as low as possible.
- Using the Council's own reserves on a temporary basis

Clearly some of these elements can give contradictory answers and the decision on each borrowing decision will need to be based on balancing these elements, taking account of existing borrowing.

The Council will set an affordable borrowing limit each year in compliance with the Local Government Act 2003, and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit. It will also set limits on its exposure to changes in interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.

Investment policy

All investment decisions need to follow a risk assessment which takes account of the need to protect the principal sums invested from loss, ensuring adequate liquidity so that funds are available to fund expenditure when needed, and the generation of investment income to support the provision of local authority services. Adequate weighting must be given to data reflecting the security of the investment.

Loans to Organisations

The Council may make loans to:

- local organisations, if this will allow the organisation to provide services that will further the Council's own objectives, and
- organisations where no service benefits are involved, but with the objective of earning a margin

on the amounts loaned.

In either case loans will only be made where all risks have been considered and appropriate safeguards are in place.

Governance

The Council will have regard to the Communities and Local Government Guidance on Local Government Investments and will approve an investment strategy each year as part of the treasury management strategy. The strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

TREASURY MANAGEMENT STRATEGY 2014/15

Treasury Management is:

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

This Strategy explains how Treasury Management will be carried out in Huntingdonshire. It meets the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice (2011) and the Government's Guidance on Local Government Investments (2010)

BACKGROUND

Growth: The flow of credit to households and businesses slowly improved but was still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.1% in November 2013 helped consumers. There was hope it might allow real wage increases (i.e. after inflation) to slowly turn positive, improve confidence and aid future consumer spending.

Stronger UK growth data in 2013 (0.4% in Q1, 0.7% in Q2 and 0.8% in Q3) alongside a pick-up in property prices, mainly stoked by government initiatives to boost mortgage lending, led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. Unemployment was 7.4% in the three months to October 2013. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, economic growth was likely to only be gradual.

Monetary Policy: There was no change to UK monetary policy with official interest rates and asset purchases maintained at 0.5% and £375bn respectively. On the probability of unemployment reaching the 7% threshold under the MPC's Forward Guidance, the November Inflation Report attached only a two-in-five chance to the rate having reached the 7% level by the end of 2014. The corresponding figures for the end of 2015 and 2016 were around three-in-five and two-in-three respectively. These forecasts brought forward market expectations of a bank rate rise, although the MPC repeatedly emphasised that the 7% threshold was not an automatic trigger for a rate rise.

A fragile economic recovery, subdued inflation and depressed bank lending resulted in the European Central Bank cutting the repo rate from 0.50% to 0.25%. ECB President Mario Draghi strengthened the Bank's pledge to keep interest rates low for as long as necessary and warned that it was too soon to say the euro region is out of danger.

In the US, following the clear momentum witnessed in its economy – despite the political impasse which resulted in a partial government shutdown during the quarter - the 'tapering' of asset purchases was announced by the Federal Reserve in December. Tapering will commence in January 2014 and with the Fed reducing its monthly purchases from \$85bn to \$75bn a month. Financial markets reacted in a predictably ebullient manner with risk assets such as equities rallying toward higher levels whilst government bond prices reversed, leading to higher yields.

INTEREST RATE FORECASTS

Markets are still pricing in an earlier rise in rates than warranted under the MPC's forward guidance and the broader economic backdrop. The Council's treasury management adviser, Arlingclose, believes that the projected path for short term interest rates remain flat and it could be the third or fourth quarter of 2016 before official UK interest rates rise. Although the MPC left its policy stance unchanged at its January meeting, there is an increasing view that its forward guidance regime may need adjusting given the reasonably rapid improvements in the labour market as it is unlikely to raise rates until there is a sustained period of strong growth.

For the purpose of the Council's Medium Term Plan the following interest rates have been assumed but it

is recognised that all assumptions about the speed with which rates will begin to rise is problematic.

	2014/15	2015/16	2016/17	2017/18	2018/19
	%	%	%	%	%
Temporary investments	0.58	0.58	0.55	0.95	1.43
PWLB 20 year borrowing (EOY)	3.39	3.64	4.08	4.25	4.50
Temporary borrowing	0.43	0.43	0.45	0.85	1.33

Against the background of low interest rates and reducing revenue and capital balances the Council has sought to maximise the returns from its investments whilst minimising the risks of investing with a borrower that is, or may become, unable to repay. It therefore adopted a strategy for 2013/14 that did not concentrate its investments with the Government's Debt Management Office which are effectively risk-free, as they are backed by the Government, but with a significantly below base interest rate, and instead concentrated on highly rated institutions and the larger Building Societies. At the same time investments in "liquidity accounts" which offer repayment the same day were maximised to further reduce risk.

The 2013/14 Strategy allowed for borrowing in anticipation of need to fund capital expenditure although that option has not so far been used this year. It is envisaged that a similar allowance is included in the 2014/15 Strategy.

CURRENT POSITION AND EXPECTED TREASURY PORTFOLIOS

The Council's position as at 31 December 2013 was:

INVESTMENTS & BORROWING	Principal Amount £m	Average Interest Rate %
Investments		
Short Term - maturing by 31st March 2014	7.4	0.45%
- maturing 2013/14	3.0	0.38%
Long Term - maturing later	1.6	3.40%
Total	12.0	0.83%
Borrowing		
Short term - maturing by 31st March 2014	0	0%
- maturing 2013/14	0	0%
Long term - maturing later	(11.5)	3.68%
Total	(11.5)	3.68%
Net Investments	£0.5m	2.23%

Expected changes in portfolio

According to current cash flow forecasts, net borrowing is expected to increase to £16.3m by 31st March 2014.

Budget implications

The budget for net interest in 2013/14 was £0.239m; the forecast outturn is £0.201m, a saving for £38,000. The small saving is attributable to a combination of low borrowing interest rates (especially between local authorities), delays in capital expenditure and higher than expected revenue reserves.

The budget for net interest in 2014/15 is £0.425m.

THE COUNCIL'S FINANCIAL STRATEGY

BORROWING STRATEGY

As noted above, the Council currently holds £11.5m of long-term loans; this is all borrowed from the Public Works Loans Board (PWLB).

Planned borrowing strategy for 2014/15 and future years

The table below shows the expected levels of reserves and the need for borrowing to fund capital expenditure over the MTP period.

	2014/ 2015 £m	2015/ 2016 £m	2016/ 2017 £m	2017/ 2018 £m	2018/ 2019 £m
Existing long term borrowing	11.5	11.5	11.5	11.5	11.5
<i>available long term</i>					
Revenue Reserves (EOY)	9.0	7.9	7.5	6.9	6.1
Provision for repaying loans (EOY)	4.4	6.4	8.6	11.1	13.9
Earmarked Reserves (EOY) ¹	1.9	1.6	1.6	1.6	1.6
<i>available on a year by year basis</i>	15.3	15.9	17.7	19.6	21.6
Cash Flow benefit average	13.2	13.2	13.2	13.2	13.2
<i>fluctuates from day to day</i>					
FUNDING REQUIRED					
Capital Expenditure					
Brought Forward	49.7	53.5	55.6	59.1	62.7
Capital Expenditure in Year	(3.8)	(2.1)	(3.5)	(3.6)	(3.1)
Carried Forward	(53.5)	(55.6)	(59.1)	(62.7)	(65.8)
Fixed Term Investment (EOY)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
Total Required Funding	(55.0)	(57.1)	(60.6)	(64.2)	(67.3)
<i>Excluding Use of Reserves</i>					
MAY BORROW	(43.5)	(45.6)	(49.1)	(52.7)	(55.8)
<i>Including Use of Reserves</i>					
MUST BORROW	(28.2)	(29.7)	(31.4)	(33.1)	(34.2)
NEED FOR FURTHER BORROWING – FUNDING IN ADVANCE					
MAY BORROW A FURTHER	(10.8)	(11.6)	(11.4)	(11.3)	(11.8)
NEED FOR FURTHER BORROWING – LOANS TO ORGANISATIONS					
MAY BORROW A FURTHER	(50.0)	(75.0)	(75.0)	(75.0)	(75.0)

Notes

¹ includes specific earmarked reserves (e.g. Special Reserve, Repairs & Renewals Funds)

Borrowing – Cash Flow

In addition to the fundamental movements described above there are day-to-day impacts due to the flow of funds into and out of the Council. For instance, the dates on which the County Council is paid its portion of the council tax and Business Rate receipts will be different to the days the money is physically received from Council Tax and Business payers. These cash flows will sometimes leave the Council with several million pounds to borrow, or invest, either overnight or for a few weeks depending on the next precept date.

Authorities are permitted to borrow short term for this purpose and all borrowing decisions will be made on the most economically advantageous rates for the period that is required to be covered. If rates are particularly high on a particular day then the sum may be borrowed overnight to see if rates are lower the following day for the remainder of the period.

Borrowing – No Funding Activity

The amount of capital borrowing up until March 2015 (i.e. up to an estimated £43.5M, “may borrow”) will be dependent upon the actual levels of revenue spending which will determine the level of the Council’s own reserves that can be used and the level of capital spending which will determine the total sum required. The period of borrowing will reflect the current and anticipated interest rate profile. If short term interest rates began to rise consideration would be given to whether long term rates were attractive enough to support long term borrowing. If rates remain low it is much more difficult to justify long term borrowing.

The **“MUST borrow”** amount represents the minimum amount that it is estimated that the Council will have to borrow if it uses its own reserves to fund part of the borrowing. The **“MAY borrow”** limit is based on using no internal funds for this purpose.

Borrowing – Funding in Advance

This additional limit is based on the agreement with our previous external auditors that it would be legitimate to borrow in advance to fund our 5 year published capital programme if market circumstances indicated that this was likely to be in the long term interests of the Council. This would require longer term borrowing rates to be at levels that appeared to be attractive when compared with rates that were expected over the remainder of that period. It would also need to take account of the difference between the borrowing rates and the currently, much lower, investment rates that would be received pending the use of the money for funding capital from sufficiently secure counterparties. A risk assessment will be carried out before undertaking any advance borrowing.

For example, if long term rates fell to 3.5% we would seriously consider increasing borrowing whilst if long term rates were 5.5% this would be extremely unlikely.

Currently low short-term rates reduce the likelihood of advance borrowing as the revenue budget would have to ‘take the hit’ of the borrowing rates being higher than the temporary investment rate in the short to medium term.

However, history has shown that violent fluctuations can happen and so there needs to be the freedom to act if circumstances significantly change.

Borrowing – Loans to Organisations

The amounts shown are indicative at this stage and any such loans to organisations would be subject to separate approval by Cabinet.

Borrowing - Profile

It is best practice to pool all funds and model future cash flow before determining the amounts that should be borrowed or invested and for how long. In doing this account will be taken of the provision that the Council is required to build up to fund the repayment of debt

The Council will be balancing two different aspects when deciding on the period it will borrow for:

- Stability.
Avoid the risk of adverse market movements affecting the cost of borrowing. To do this the logical option is to borrow the money for as long as needed.

- Lowest Cost.

Minimise the overall cost of borrowing which, at the present time, might result in very short borrowing because of the very low interest rates available. However, future rates may rise significantly meaning that it was better to have paid more initially and borrowed longer.

The logical result is to spread the risk by borrowing for a range of periods. However, given the Council's current financial position it may be that, until interest rates have returned to normal relativities or there is sufficient certainty that they will do so, the Council should use its revenue reserves and/or borrow short term for rates that are currently under 1%.

Any long term borrowing will tend to be from the Public Works Loans Board (PWLB) which is a Government Agency providing funds to local authorities at interest rates linked to the cost of central government borrowing. Commercial bodies have become less involved since the financial crisis and their products were generally for shorter periods and often include embedded options. The most common was a "Lender's Option Borrower's Option" deal, better known as a LOBO, where the lender retains an option to increase the interest rate after a number of years and the borrower has the right to repay if the new rate is not acceptable.

The Council will need to approve a prudential indicator for the 'authorised limit for external debt'. This will include forward funding of the MTP and Loans to Organisations but the three elements will be kept separate. With regard to 2014/15:

1. £85m No Forward Funding Activity
 - temporary borrowing for cash flow purposes (£25m)
 - long term existing borrowing (£10m)
 - borrowing to fund the forecast capital programme (£45m)
 - an allowance for other long-term liabilities, such as finance leases (£5m)
2. £11m Long term based on maximum borrowing in advance
3. £50m Long term borrowing to finance Long Term loans to Other Organisations: £50m

INVESTMENT STRATEGY

INVESTMENTS - CATEGORIES

The guidance on Local Authority Investments categorises investments as 'specified' and 'non-specified'.

Specified investments are expected to offer relatively high security and/or liquidity. They must be:

- in sterling (avoiding exchange rate fluctuations) **and**,
- due to be repaid within 12 months (minimising capital value fluctuations on gilts and CDs and minimising the period within which a counterparty might get into difficulty) **and**,
- **not** defined as capital expenditure in the capital finance regulations 2003 (e.g. equities and corporate bonds though there is current consultation on removing bonds from the capital constraint)) **and**,
- with a body that the Council considers is of high credit quality or with the UK Government or a local authority. (minimising the counterparty risk), this includes Money Market Funds where the Council has set minimum criteria.

These include time-deposits for up to 1 year with building societies and banks which the Council deems to have a high credit quality (see below), but it should be noted that early repayment, before the due date is rarely possible and may require a release fee.

No investment that counts as Capital expenditure will be undertaken, without Cabinet approval, as it effectively transfers revenue funds into capital when the investment is repaid which has significant impacts on the Council's financial flexibility.

Non-specified investments include longer deposits and other types of investment e.g. corporate bonds and equities.

The Council may use the following non-specified investments:

- Time Deposits of longer than 12 months with banks and building societies
- UK government bonds, supranational bank bonds
- loans to other local authorities and other organisations (further definition of the latter is shown below) over 12 months to maturity
- Corporate Bonds over 12 months to maturity, if returns are clearly better than time deposits, but such investments will only be made following a risk assessment and consultation on the proposed limits, procedures and credit ratings with the Treasury Management Advisory Group. Use would be limited to Bonds that could be held to maturity thus avoiding fluctuations in capital value.
- Pooled Property Funds
This is a new investment opportunity for the Council for 2014/15. It is intended to be a longer term vehicle (i.e. 5 years or longer), although money can be withdrawn with 1 month's notice. These types of investments are not "credit rated" because the investment is not in "cash", it is in a non-liquidity asset. Before any money is invested, this will be discussed and agreed at TMAG.

INVESTMENTS – HIGH CREDIT QUALITY

The term 'high credit quality' is used in the CLG guidance to encourage local authorities to monitor other measures of an institution's credit worthiness rather than just relying on credit ratings

CIPFA has issued guidance on possible sources of additional information in order to assess the credit worthiness of counterparties which are referred to below.

Whilst the Council will take some account of such additional information the main criteria for judging credit quality will be:

- Short term credit ratings (Definitions in Attachment A)
- Long-term credit ratings for any investment over 1 year. (Attachment A)
- The top 25 Building Societies by asset size irrespective of any credit rating they may hold subject to the comments below. Building societies have a much higher proportion of their funds covered by retail savings so are less at the risk of market volatility and their regulatory framework and insolvency regime means that the Council's deposits would be paid out before retail depositors. Experience in recent years includes a number of examples of the takeovers of weak societies by strong ones. However any Building Society with a rating of less than BBB will not be used and use will be suspended of Building Society with a "rating watch" warning pending consideration of further information of the potential impact.
- Reacting immediately to any "rating watch" warnings or informal comments from our advisors in relation to market concerns. Use of counterparties subject to such warnings/advice will be suspended pending consideration of further information of the potential impact.
- Credit Default Swap prices obtained from our advisors.
- The credit rating of the country of the institution. This must be AA or above (the exception being in respect of the domicile of Money Market Funds, see later section).

Financial statements and the financial press will not be systematically reviewed because the resources required are not available and it is expected that our advisors will make informal comments if they become aware of any significant items that affect our counterparty list. They also review our counterparty list every month.

Current account bank

Following a competitive tender exercise, in April 2010 the Royal Bank of Scotland Group (NatWest) was appointed to provide Banking Services in respect of the Council's current accounts. With a long term rating of "A" (January 2014) the bank is close to the bottom of the above credit rating criteria for this type of institution.

INVESTMENTS – SPREADING THE RISK

Credit quality can never be absolutely guaranteed so to further mitigate risks there is a need to spread investments in a number of ways:

- By counterparty, including any institutions that are linked in the same group.
- By country.

These limits need to be a practical balance between safety and administrative efficiency and need to cope with the uncertainty of the amount of borrowing in anticipation. A table is therefore included in Attachment B which shows the limits for different levels of forward borrowing.

INVESTMENTS – PERIODS

Once a time deposit is made there is no requirement for the borrower to repay until the end of the agreed period. Thus a borrower who has a high credit rating on the investment day could be in serious financial difficulties in the future. As a result significant use is made of liquidity accounts which currently give an attractive interest rate but also allow repayment of our investment the same day.

The Council will register with a selection of money market funds with AAA ratings which also allow same-day withdrawal of funds. The domicile for some of these funds can be in a low rated country; however as it is stipulated that the fund itself has to be Triple A, this is acceptable.

These funds will be used as appropriate taking account of comparative security and yields. During 2013/14, the Council used the following money market funds:

- Public Sector Deposit Fund, operated by Church's, Charities and Local Authorities, and
- Ignis Liquidity Fund, operated by Ignis Asset Management.

If during 2014/15, where it becomes advantageous, further funds may be used.

INVESTMENTS - MANAGEMENT

Taking account of the Credit Quality and Spreading the Risk sections above, Attachment B outlines the criteria and limits for making investments.

There may be limited occasions, based on detailed cash flow forecasts, where some investments of more than a year might be made that do not relate to borrowing in anticipation.

Risk of counterparty failure can also be minimised by shortening the period of any time deposit. At the current time, partly reflecting the current interest rate structure, time deposits are generally kept below one month. The criteria also differentiates the duration of investments based on credit rating e.g. the maximum duration of investments with building societies with no rating will be 1 month.

Advantage is also being taken of liquidity accounts which are offering competitive rates for money on call i.e. it can be called back the same or next day if there was any concern about the institution.

LOANS TO SUPPORT THE ACHIEVEMENT OF SERVICE OBJECTIVES

Opportunities will arise from time to time for the Council to further its objectives by making loans to local organisations or businesses. Such loans are considered to be investments as defined in this strategy. All such loans would require Cabinet approval and details of any risks pertaining to the loan would be included in the relevant Cabinet report. These loans would not be subject to the 5 year investment limit.

LOANS WITH SECURITY

The Localism Act potentially enables the Council to benefit from its low cost of borrowing to earn a margin by providing a loan to other bodies where no service benefits are involved. This option will be investigated but would only be implemented following legal and external audit confirmation of the statutory power, including consideration of the impact of the state aid regulations, and where security of the investment can be made through a legal charge on an adequate value of asset(s) to protect the Council from the possibility of default. If it is proposed to make such a loan, the Cabinet report requesting approval will include appropriate legal and valuation advice. These loans would not be subject to the 5 year investment limit.

POLICY ON USING FINANCIAL DERIVATIVES

Local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. lenders option/borrowers option (LOBO) loans).

The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. It is unlikely that the Council will utilise standalone financial derivatives.

Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy. The Council is only likely to make limited use of embedded derivatives e.g. LOBOs

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

ADVISORS

Arlingclose are the Councils appointed advisors. The Advisor carries out the following role:

- advice on investment decisions,
- notification of credit ratings and changes,
- general information on credit quality and informal comment on particular institutions,
- advice on borrowing and opportunities to borrow early
- economic data and interest rate forecasts
- advice and guidance on relevant policies, strategies and reports,
- accounting advice,
- reports on treasury performance,
- training courses.

The quality of the service is controlled by regular contact between the Advisors and officers. It should be noted that having external advisors does not negate the responsibility for Treasury Management decisions from the Council and its officers

MANAGEMENT

The Responsible Financial Officer and his staff will manage and monitor investments and borrowing.

The Treasury Management Advisory Group consists of four members and relevant officers. Members are kept informed of relevant issues and consulted on any significant issues.

The Council uses a cash flow model which is updated daily to forecast future cash flow movements to determine the maximum length for which any investment or borrowing shall be considered. The length of any investment would take account of actual and forecast interest rates over the loan period to ensure it optimises the Council's position. At this time the Council is unlikely to invest for more than a year unless:

- further advance borrowing is undertaken, or
- "back-to-back" financing of a LoO loan (this would be subject to separate Cabinet approval).

REPORTING AND SCRUTINY

The CIPFA Code requires that the body responsible for approving the budget also receives at least two reports during the year on treasury management. Therefore the Council will receive a six month report on the performance of the funds and an annual report on the performance for the year.

The Code also requires the Council to identify the body that will be responsible for the scrutiny of treasury management to ensure that it receives the appropriate focus. This is the Overview & Scrutiny (Economic Well-being) Panel.

TRAINING

The needs of the Council's treasury management staff for training are assessed every six months as part of the staff appraisal process and additionally when the responsibilities of individual staff change.

The Code requires that Members charged with the governance of Treasury Management and those responsible for scrutiny have the necessary skills relevant to their responsibilities. Member training will be provided as necessary.

CHANGES TO THE STRATEGY

The strategy is not intended to be a strait-jacket but a definition of the upper limit of the level of risk that it is prudent for the Council to take in maximising the return on its net investments. Any changes that are:

- broadly consistent with this Strategy, and/or
- reduce or only minimally increase the level of risk, and/or
- supported by the Council's Treasury Management Advisors,

are delegated to the Responsible Financial Officer, after consultation with the Treasury Management Advisory Group. All other changes to the strategy must be approved by the full Council.

TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

The Council's Treasury Management and Prudential Indicators are attached at Attachment C. They are based on data included in the budget report and this Strategy. They set various limits that allow officers to monitor its achievement. These indicators must be approved by the Council and can only be amended by the Council.

The indicators are based on allowing the ability to borrow in advance if this becomes attractive. If it does not, the Council is likely to be significantly within many of the limits.

ATTACHMENT A

DEFINITION OF CREDIT RATINGS

	Rating	Definition	Examples of counterparties
Short term (Fitch)	F1	Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.	Royal Bank of Scotland/ NatWest (F1) Nationwide Building Society
	F2	Good intrinsic capacity for timely payment of financial commitments.	Leeds Building Society
	F3	The intrinsic capacity for timely payment of financial commitments is adequate.	Skipton Building Society
Long-term (Fitch)	AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	Germany, Sweden, Switzerland, USA
	AA	Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	United Kingdom AA+
	AA-		Standard Chartered Bank, HSBC Bank
	A	High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.	Nationwide Building Society
	A-		Leeds Building Society

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

ATTACHMENT B

IN-HOUSE FUND MANAGEMENT (IF NO FURTHER ADVANCE BORROWING)

Duration of investments	No investment shall be longer than 5 years. Maximum duration for a Building Society with no rating is 1 month.	
Types of investments	Fixed term Deposits Deposits at call, two or seven day notice Corporate bonds Money market funds UK Government bonds and Supranational Bank bonds Loans to Organisations Pooled Property Funds	
Credit Ratings	<p>Building Societies All Building Societies with ratings of BBB or above. Building Societies with no ratings. (maximum duration 1 month)</p> <p>Money Market Funds AAA credit rating</p> <p>Pooled Property Funds (such funds are not credit rated as they are investments in non-liquid assets)</p> <p>Local Authorities or UK Government No rating required</p> <p>Non-Building Societies Short term rating F1 by Fitch or equivalent. Long-term rating of AA- by Fitch or equivalent if the investment is longer than 1 year.</p> <p>Loans to Organisations These will not require a specific credit rating but will be subject to individual approval by Cabinet.</p>	
Maximum limits per counterparty (group), country or non-specified category	<p>F1+ or have a legal position that guarantees repayment for the period of the investment £5M</p> <p>F1 £4M</p> <p>Building Society with assets over £2bn in top 25 (Currently 10) £5M</p> <p>Building Society with assets over £1bn if in top 25 (Currently 3) £4M</p> <p>Building Society with assets under £1bn in top 25 £3M</p> <p>Liquidity (Call) Account with a credit rating of F2 or with a legal position that guarantees repayment or a Building Society. £5M</p> <p>BUT total invested with counterparty/group shall not exceed £8M</p> <p>Money market fund AAA Credit rating £4m</p> <p>Limit for Non-specified investments</p> <ul style="list-style-type: none"> - £10M in time deposits more than one year - £5M in corporate bonds - £10M in any other types. - £10M Pooled Property funds - £15M in total <p>Country limits</p> <ul style="list-style-type: none"> - UK - unlimited - £5M in a country outside the EU - £10M in a country within the EU (excluding UK) - £20M in EU countries combined (excluding UK) - Country of Domicile for Money Market Funds – unlimited, providing the fund is AAA. <p>Except for Money Market Funds, no investment will be made in country with a sovereign rating of less than AA.</p> <p>These limits will be applied when considering any new investment from 27 February 2014. Lower limits may be set during the course of the year or for later years to avoid too high a proportion of the Council's funds being with any counterparty.</p> <p>Loans to Organisations No limit in value or period.</p>	
Benchmark	LGC 7 day rate	

INVESTMENT LIMITS FOR INCREASES IN ADVANCE BORROWING				
		Level of Borrowing in Anticipation		Rating Constraints
	from	£5M	£11M	
	to	£10M	£20M	
SPECIFIED INVESTMENTS				
BUILDING SOCIETIES				
Assets over £2bn		£5M	£5M	
Assets over £1bn		£4M	£4M	
Rest of top 25 by assets		£3M	£3M	
BANKS & OTHER INSTITUTIONS				
F2+ or legal status		£5M	£5M	AA- if more than 1 year
F2		£4M	£4M	AA- if more than 1 year
LIQUIDITY ACCOUNTS				
Limit in liquidity account		£5M	£6M	F2 or legal status
Limit with any other investments in institution		£8M	£9M	
POOLED PROPERTY FUND				
		£10M	£10M	
NON-SPECIFIED INVESTMENTS				
Time Deposits over 1 year in total		£20M	£30M	
Corporate Bonds in total		£5M	£8M	Not yet determined
TERRITORIAL LIMITS				
UK		Unlimited		
EU (excluding UK)		£20M	£20M	
EU Country (other than UK)		£10M	£10M	
Any other Country		£5M	£5M	

ATTACHMENT C

CIPFA PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES

PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT INDICATORS

FOR 2013/14

The relevant Prudential and Treasury Management indicators that need to reflect the potential borrowing to finance funding in advance and loans to organisations have been amended. Where no requirement is shown, the indicator only reflects what is included in the Council's Medium Term Plan.

All decisions relating to loans to organisations will be subject to approval by the Cabinet. Where these decisions will affect the relevant prudential or treasury indicators noted below, other than Item 7: "the authorised limit for external debt, retrospective approval will sought of Council at either the mid-year or full year reporting periods.

PRUDENTIAL INDICATORS

1. Actual and Estimated Capital Expenditure

	2012/13 Actual £m	2013/14 Actual £m	2014/15 Actual £m	2015/16 Actual £m	2016/17 Actual £m
Gross	8.3	14.4	5.4	4.0	4.3
Net	6.5	11.9	3.8	2.1	3.5

Where it is determined that loans to organisations are for capital purposes, this will be treated as capital expenditure and would be in addition to the current capital programme.

2. The proportion of the budget financed from government grants and council tax that is spent on interest and the provision for debt repayment.

2012/13 Actual	2013/14 Forecast	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
4%	7%	10%	13%	13%

Assuming no borrowing in advance or loans to organisations.

3. The impact of schemes with capital expenditure on the level of council tax

This calculation highlights the hypothetical impact on the level of Council Tax from changes from the previously approved MTP due to capital schemes (including their associated revenue implications).

The actual change in Council Tax will be significantly different due to revenue variations, spending adjustments and the use of revenue reserves.

	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Variation	£1.08	£1.90	(£0.96)
Cumulative	£1.08	£2.98	£2.02

4. The capital financing requirement.

This represents the estimated need for the Authority to borrow to finance capital expenditure less the estimated provision for redemption of debt (the MRP).

	31/3/13 Actual £m	2013/14 Forecast £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
No Funding Activity	27.0	37.8	40.0	40.1	41.4	42.5	42.8

In addition, this strategy makes provision for loans which may need to be treated as capital expenditure:

Loans to Organisations	0.0	25.0	50.0	75.0	75.0	75.0	75.0
------------------------	-----	------	------	------	------	------	------

5. Net borrowing and the capital financing requirement

In order to ensure that, over the medium term, net borrowing will only be for a capital purpose, the Authority should make sure that net external borrowing (borrowing less investments) does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current year and any specific decisions to borrow in advance or make loans to organisations.

The Council will explain the degree of borrowing and investment in its half-year and annual reports together with the reason for the movements so that Members can be assured that there is no borrowing for revenue purposes other than in the short term (cash flow).

5a. Gross and Net Debt

This indicator is intended to highlight the level of advance borrowing by limiting the variation between gross debt (borrowing) and net debt (borrowing less investments). The more borrowing in advance the higher the gross debt but there is no change in net debt because the borrowed sums will be invested pending them being needed to finance capital expenditure. Thus net debt as a proportion of gross debt falls as borrowing in advance occurs.

Unfortunately the position is complicated by the significant variations that the Council has to contend with relating to day-to-day cash flow which can cause major fluctuations in this proportion.

Guidance has not been issued on the practical use of this indicator and so there seems little point in setting one this year.

To achieve the equivalent result all advance borrowing will be reported to the Treasury Management Advisory Group and highlighted in the mid-year and end of year reports.

6. The actual external long-term borrowing at 31 March 2013

£10m

(the current level of PWLB borrowing is £11.5m)

7. The authorised limit for external debt.

This is the maximum limit for borrowing and is based on a worst-case scenario. It reflects borrowing to fund capital rather than using reserves and the three elements (No activity, borrowing in advance and loans) will be controlled separately.

	2013/14 Limit £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Short term	20	25	25	25
Long term	48	55	57	61
Other long-term liabilities (leases)	5	5	5	5
Total - No Funding Activity	73	85	87	91
Long Term based on the maximum borrowing in advance	14	11	12	11
Long term borrowing to finance Long Term Loans to Organisations	25	50	75	75

8. The operational boundary for external debt.

This reflects a less extreme position. Although the figure can be exceeded without further approval it represents an early warning monitoring device to ensure that the authorised limit (above) is not exceeded.

	2013/14 Limit £m	2014/15 Limit £m	2015/16 Limit £m	2016/17 Limit £m
Short term	15	20	20	20
Long term	48	55	57	61
Other long-term liabilities (leases)	5	5	5	5
Total – No Funding Activity	68	80	82	86
Plus any long term borrowing in advance	14	11	12	11
Plus any long term borrowing to finance long term loans to organisations	25	50	75	75

9. Adoption of the CIPFA Code

The Council has adopted the 2011 edition of the CIPFA Treasury Management Code of Practice.

TREASURY MANAGEMENT INDICATORS

10. Exposure to interest rate risk as a proportion of net investments.

This indicator is set to control the Council's exposure to interest rate risk. Investments of less than 12 months count as variable rate.

If the Council does not borrow in advance it is quite possible that all investments will be of less than a year's duration and hence count as "variable rate".

		2014/15 Limits		2015/16 Limits		2016/17 Limits	
		Max	Min	Max	Min	Max	Min
Borrowing							
Longer than 1 year	Fixed	100%	75%	100%	75%	100%	75%
	Variable	25%	0%	25%	0%	25%	0%
Investments							
Longer than 1 year	Fixed	100%	100%	100%	100%	100%	100%
	Variable	0%	0%	0%	0%	0%	0%

11. Borrowing Repayment Profile

The proportion of borrowing in place during 2014/15 that will mature in successive periods. This indicator is set to control the Council's exposure to refinancing risk.

The Council has £11.5M long term borrowing but the uncertainty on whether any forward borrowing will take place and the potential for short term borrowing to be the most attractive option results in the limits set out below.

Funding capital schemes	Upper limit	Lower limit
Under 12 months	92%	0%
12 months and within 24 months	92%	0%
24 months and within 5 years	92%	0%
5 years and within 10 years	93%	1%
10 years and above	100%	7%

This may be affected by any Funding in Advance or Loans to Organisations.

12. Investment Repayment Profile

Limit on the value of investments that cannot be redeemed within 364 days i.e. by the end of each financial year. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. These limits need to allow for borrowing in advance.

The uncertainty about borrowing in advance results in higher limits than would otherwise be required.

	2014/15 £m	2015/16 £m	2016/17 £m
Limit on investments over 364 days as at 31 March each year.	32.7	34.0	37.7

This may be affected by any Funding in Advance or Loans to Organisations.

APPENDIX D

FORMAL 2014/15 COUNCIL TAX RESOLUTIONS

- a) That the Council note the Council Tax Base for the whole Council area and individual Towns and Parishes (Annex A) as approved by the Section 151 officer on the 2nd December 2013 after consultation with the Chairman of Corporate Governance Panel (and publication as a key decision). **£57,357**
The tax base (T) which is the amount anticipated from a District Council Tax of £1 is
- b) That the following amounts calculated by the Council for 2014/15 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 **£83,001,772**
Gross revenue expenditure including benefits, Town/Parish Precepts
- (ii) the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act **£70,543,195**
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 **£12,458,577**
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 2014/15 divided by the tax base (T) in accordance with Section 31B (1) of the Act **£217.21**
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. **£4,819,772**
The total value of Parish/Town precepts included in i and iii above
- (vi) the Basic Amount of Council Tax for 2014/15 being item iv less item v divided by the tax base (T) in accordance with Section 34 (2) of the Act. **£133.18**
The District Council's Band D Tax for 2014/15
- (vii) the basic amounts of Council Tax for 2014/15 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 2014/15 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 and Cambridgeshire & Peterborough Fire Authority for each of the categories of dwellings listed in different valuation bands in accordance with Section 40 of the Act shown in Table 1 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 Table 2 as the amounts of Council Tax for 2014/15 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 2014/15 is not excessive.
The basic amount at b(vi) above is not excessive as defined by the Government.

ANNEX A

TAXBASE 2014/15

	£
Abbotsley	245
Abbots Ripton	128
Alconbury	530
Alconbury Weston	274
Alwalton	114
Barham & Woolley	28
Bluntisham	720
Brampton	1,730
Brington & Molesworth	126
Broughton	88
Buckden	1,130
Buckworth	50
Bury	600
Bythorn & Keyston	135
Catworth	145
Chesterton	57
Colne	350
Conington	66
Covington	43
Denton & Caldecote	25
Diddington	25
Earith	561
Easton	75
Ellington	230
Elton	282
Farcet	515
Fenstanton	1,120
Folksworth & Washingley	344
Glatton	130
Godmanchester	2,315
Grafham	235
Great & Little Gidding	110
Great Gransden	445
Great Paxton	360
Great Staughton	318
Haddon	25
Hail Weston	240
Hamerton & Steeple Gidding	50
Hemingford Abbots	334
Hemingford Grey	1,255

	£
Hilton	448
Holme	227
Holywell-cum-Needingworth	965
Houghton & Wyton	783
Huntingdon	6,875
Kimbolton & Stonely	580
Kings Ripton	82
Leighton Bromswold	78
Little Paxton	1,390
Morborne	10
Offord Cluny & Offord D'Arcy	490
Old Hurst	90
Old Weston	84
Perry	254
Pidley-cum-Fenton	145
Ramsey	2,655
St Ives	5,640
St Neots	10,295
Sawtry	1,655
Sibson-cum-Stibbington	210
Somersham	1,330
Southoe & Midloe	148
Spaldwick	234
Stilton	755
Stow Longa	63
The Stukeleys	390
Tilbrook	116
Toseland	38
Upton & Coppingford	83
Upwood & The Raveleys	405
Warboys	1,300
Waresley-cum-Tetworth	145
Water Newton	40
Winwick	40
Wistow	214
Woodhurst	149
Woodwalton	78
Wyton-on-the-Hill	390
Yaxley	2,785
Yelling	145

57,357

TABLE 1	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Cambridgeshire County Council	747.96	872.62	997.28	1121.94	1371.26	1620.58	1869.90	2243.88
Cambridgeshire Police Authority	120.90	141.05	161.20	181.35	221.65	261.95	302.25	362.70
Huntingdonshire District Council	88.79	103.58	118.38	133.18	162.78	192.37	221.97	266.36
Cambridgeshire Fire Authority	42.84	49.98	57.12	64.26	78.54	92.82	107.10	128.52
PARISH COUNCILS :-								
Abbotsley	36.46	42.54	48.61	54.69	66.84	79.00	91.15	109.38
Abbots Ripton	49.48	57.73	65.97	74.22	90.71	107.21	123.70	148.44
Alconbury	45.75	53.38	61.00	68.63	83.88	99.13	114.38	137.26
Alconbury Weston	19.47	22.71	25.96	29.20	35.69	42.18	48.67	58.40
Alwalton	14.62	17.06	19.49	21.93	26.80	31.68	36.55	43.86
Barham & Woolley	19.05	22.22	25.40	28.57	34.92	41.27	47.62	57.14
Bluntisham	81.11	94.63	108.15	121.67	148.71	175.75	202.78	243.34
Brampton	72.31	84.36	96.41	108.46	132.56	156.66	180.77	216.92
Brinton & Molesworth	20.61	24.04	27.48	30.91	37.78	44.65	51.52	61.82
Broughton	26.51	30.93	35.35	39.77	48.61	57.45	66.28	79.54
Buckden	43.84	51.15	58.45	65.76	80.37	94.99	109.60	131.52
Buckworth	33.44	39.01	44.59	50.16	61.31	72.45	83.60	100.32
Bury	33.33	38.89	44.44	50.00	61.11	72.22	83.33	100.00
Bythorn & Keyston	3.95	4.61	5.27	5.93	7.25	8.57	9.88	11.86
Catworth	51.19	59.72	68.25	76.78	93.84	110.90	127.97	153.56
Chesterton	11.69	13.64	15.59	17.54	21.44	25.34	29.23	35.08
Colne	41.91	48.89	55.88	62.86	76.83	90.80	104.77	125.72
Conington	26.77	31.23	35.69	40.15	49.07	57.99	66.92	80.30
Covington	20.15	23.51	26.87	30.23	36.95	43.67	50.38	60.46
Denton & Caldecote	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Diddington	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Earith	49.32	57.54	65.76	73.98	90.42	106.86	123.30	147.96
Easton	35.55	41.48	47.40	53.33	65.18	77.03	88.88	106.66
Ellington	26.09	30.43	34.78	39.13	47.83	56.52	65.22	78.26
Elton	30.73	35.86	40.98	46.10	56.34	66.59	76.83	92.20
Farcet	75.08	87.59	100.11	112.62	137.65	162.67	187.70	225.24
Fenstanton	33.86	39.50	45.15	50.79	62.08	73.36	84.65	101.58
Folksworth & Washingley	47.51	55.43	63.35	71.27	87.11	102.95	118.78	142.54
Glatton	18.97	22.14	25.30	28.46	34.78	41.11	47.43	56.92
Godmanchester	44.65	52.10	59.54	66.98	81.86	96.75	111.63	133.96
Grafham	31.21	36.41	41.61	46.81	57.21	67.61	78.02	93.62
Great & Little Gidding	65.67	76.61	87.56	98.50	120.39	142.28	164.17	197.00
Great Gransden	33.71	39.32	44.94	50.56	61.80	73.03	84.27	101.12
Great Paxton	27.78	32.41	37.04	41.67	50.93	60.19	69.45	83.34
Great Staughton	29.35	34.25	39.14	44.03	53.81	63.60	73.38	88.06
Haddon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hail Weston	45.50	53.08	60.67	68.25	83.42	98.58	113.75	136.50
Hamerton & Steeple Gidding	10.00	11.67	13.33	15.00	18.33	21.67	25.00	30.00

TABLE 1 Cont.	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Hemingford Abbots	31.93	37.26	42.58	47.90	58.54	69.19	79.83	95.80
Hemingford Grey	44.07	51.41	58.76	66.10	80.79	95.48	110.17	132.20
Hilton	34.29	40.01	45.72	51.44	62.87	74.30	85.73	102.88
Holme	36.71	42.83	48.95	55.07	67.31	79.55	91.78	110.14
Holywell-cum-Needingworth	68.33	79.72	91.11	102.50	125.28	148.06	170.83	205.00
Houghton & Wyton	50.99	59.48	67.98	76.48	93.48	110.47	127.47	152.96
Huntingdon	82.92	96.74	110.56	124.38	152.02	179.66	207.30	248.76
Kimbolton & Stonely	60.97	71.13	81.29	91.45	111.77	132.09	152.42	182.90
Kings Ripton	32.52	37.94	43.36	48.78	59.62	70.46	81.30	97.56
Leighton Bromswold	40.39	47.12	53.85	60.58	74.04	87.50	100.97	121.16
Little Paxton	42.36	49.42	56.48	63.54	77.66	91.78	105.90	127.08
Morborne	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Offord Cluny & Offord D'Arcy	58.84	68.65	78.45	88.26	107.87	127.49	147.10	176.52
Old Hurst	35.55	41.48	47.40	53.33	65.18	77.03	88.88	106.66
Old Weston	25.12	29.31	33.49	37.68	46.05	54.43	62.80	75.36
Perry	31.76	37.05	42.35	47.64	58.23	68.81	79.40	95.28
Pidley-cum-Fenton	27.59	32.18	36.78	41.38	50.58	59.77	68.97	82.76
Ramsey	35.15	41.01	46.87	52.73	64.45	76.17	87.88	105.46
St.Ives	77.05	89.89	102.73	115.57	141.25	166.93	192.62	231.14
St.Neots	56.15	65.51	74.87	84.23	102.95	121.67	140.38	168.46
Sawtry	51.05	59.55	68.06	76.57	93.59	110.60	127.62	153.14
Sibson-cum-Stibbington	34.92	40.74	46.56	52.38	64.02	75.66	87.30	104.76
Somersham	75.93	88.59	101.24	113.90	139.21	164.52	189.83	227.80
Southoe & Midloe	53.33	62.22	71.11	80.00	97.78	115.56	133.33	160.00
Spaldwick	28.49	33.24	37.99	42.74	52.24	61.74	71.23	85.48
Stilton	46.36	54.09	61.81	69.54	84.99	100.45	115.90	139.08
Stow Longa	34.92	40.74	46.56	52.38	64.02	75.66	87.30	104.76
The Stukeleys	44.19	51.55	58.92	66.28	81.01	95.74	110.47	132.56
Tilbrook	17.24	20.11	22.99	25.86	31.61	37.35	43.10	51.72
Toseland	12.28	14.33	16.37	18.42	22.51	26.61	30.70	36.84
Upton & Coppingford	32.13	37.48	42.84	48.19	58.90	69.61	80.32	96.38
Upwood & the Raveleys	32.92	38.41	43.89	49.38	60.35	71.33	82.30	98.76
Warboys	44.17	51.54	58.90	66.26	80.98	95.71	110.43	132.52
Waresley-cum-Tetworth	15.17	17.70	20.23	22.76	27.82	32.88	37.93	45.52
Water Newton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Winwick	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wistow	32.71	38.17	43.62	49.07	59.97	70.88	81.78	98.14
Woodhurst	22.37	26.10	29.83	33.56	41.02	48.48	55.93	67.12
Woodwalton	42.73	49.86	56.98	64.10	78.34	92.59	106.83	128.20
Wyton-On-The-Hill	40.17	46.87	53.56	60.26	73.65	87.04	100.43	120.52
Yaxley	67.29	78.50	89.72	100.93	123.36	145.79	168.22	201.86
Yelling	13.79	16.09	18.39	20.69	25.29	29.89	34.48	41.38

TABLE 2	TOTAL CHARGES							
	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbotsley	1036.95	1209.77	1382.59	1555.42	1901.07	2246.72	2592.37	3110.84
Abbots Ripton	1049.97	1224.96	1399.95	1574.95	1924.94	2274.93	2624.92	3149.90
Alconbury	1046.24	1220.61	1394.98	1569.36	1918.11	2266.85	2615.60	3138.72
Alconbury Weston	1019.96	1189.94	1359.94	1529.93	1869.92	2209.90	2549.89	3059.86
Alwalton	1015.11	1184.29	1353.47	1522.66	1861.03	2199.40	2537.77	3045.32
Barham & Woolley	1019.54	1189.45	1359.38	1529.30	1869.15	2208.99	2548.84	3058.60
Bluntisham	1081.60	1261.86	1442.13	1622.40	1982.94	2343.47	2704.00	3244.80
Brampton	1072.80	1251.59	1430.39	1609.19	1966.79	2324.38	2681.99	3218.38
Brinton & Molesworth	1021.10	1191.27	1361.46	1531.64	1872.01	2212.37	2552.74	3063.28
Broughton	1027.00	1198.16	1369.33	1540.50	1882.84	2225.17	2567.50	3081.00
Buckden	1044.33	1218.38	1392.43	1566.49	1914.60	2262.71	2610.82	3132.98
Buckworth	1033.93	1206.24	1378.57	1550.89	1895.54	2240.17	2584.82	3101.78
Bury	1033.82	1206.12	1378.42	1550.73	1895.34	2239.94	2584.55	3101.46
Bythorn & Keyston	1004.44	1171.84	1339.25	1506.66	1841.48	2176.29	2511.10	3013.32
Catworth	1051.68	1226.95	1402.23	1577.51	1928.07	2278.62	2629.19	3155.02
Chesterton	1012.18	1180.87	1349.57	1518.27	1855.67	2193.06	2530.45	3036.54
Colne	1042.40	1216.12	1389.86	1563.59	1911.06	2258.52	2605.99	3127.18
Conington	1027.26	1198.46	1369.67	1540.88	1883.30	2225.71	2568.14	3081.76
Covington	1020.64	1190.74	1360.85	1530.96	1871.18	2211.39	2551.60	3061.92
Denton & Caldecote	1000.49	1167.23	1333.98	1500.73	1834.23	2167.72	2501.22	3001.46
Diddington	1000.49	1167.23	1333.98	1500.73	1834.23	2167.72	2501.22	3001.46
Earith	1049.81	1224.77	1399.74	1574.71	1924.65	2274.58	2624.52	3149.42
Easton	1036.04	1208.71	1381.38	1554.06	1899.41	2244.75	2590.10	3108.12
Ellington	1026.58	1197.66	1368.76	1539.86	1882.06	2224.24	2566.44	3079.72
Elton	1031.22	1203.09	1374.96	1546.83	1890.57	2234.31	2578.05	3093.66
Farcet	1075.57	1254.82	1434.09	1613.35	1971.88	2330.39	2688.92	3226.70
Fenstanton	1034.35	1206.73	1379.13	1551.52	1896.31	2241.08	2585.87	3103.04
Folksworth & Washingley	1048.00	1222.66	1397.33	1572.00	1921.34	2270.67	2620.00	3144.00
Glatton	1019.46	1189.37	1359.28	1529.19	1869.01	2208.83	2548.65	3058.38
Godmanchester	1045.14	1219.33	1393.52	1567.71	1916.09	2264.47	2612.85	3135.42
Grafham	1031.70	1203.64	1375.59	1547.54	1891.44	2235.33	2579.24	3095.08
Great & Little Gidding	1066.16	1243.84	1421.54	1599.23	1954.62	2310.00	2665.39	3198.46
Great Gransden	1034.20	1206.55	1378.92	1551.29	1896.03	2240.75	2585.49	3102.58
Great Paxton	1028.27	1199.64	1371.02	1542.40	1885.16	2227.91	2570.67	3084.80
Great Staughton	1029.84	1201.48	1373.12	1544.76	1888.04	2231.32	2574.60	3089.52
Haddon	1000.49	1167.23	1333.98	1500.73	1834.23	2167.72	2501.22	3001.46
Hail Weston	1045.99	1220.31	1394.65	1568.98	1917.65	2266.30	2614.97	3137.96
Hamerton & Steeple Gidding	1010.49	1178.90	1347.31	1515.73	1852.56	2189.39	2526.22	3031.46
Hemingford Abbots	1032.42	1204.49	1376.56	1548.63	1892.77	2236.91	2581.05	3097.26
Hemingford Grey	1044.56	1218.64	1392.74	1566.83	1915.02	2263.20	2611.39	3133.66
Hilton	1034.78	1207.24	1379.70	1552.17	1897.10	2242.02	2586.95	3104.34

TABLE 2 Cont.	TOTAL CHARGES							
	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND
	A £	B £	C £	D £	E £	F £	G £	H £
Holme	1037.20	1210.06	1382.93	1555.80	1901.54	2247.27	2593.00	3111.60
Holywell-cum-Needingworth	1068.82	1246.95	1425.09	1603.23	1959.51	2315.78	2672.05	3206.46
Houghton & Wyton	1051.48	1226.71	1401.96	1577.21	1927.71	2278.19	2628.69	3154.42
Huntingdon	1083.41	1263.97	1444.54	1625.11	1986.25	2347.38	2708.52	3250.22
Kimbolton & Stonely	1061.46	1238.36	1415.27	1592.18	1946.00	2299.81	2653.64	3184.36
Kings Ripton	1033.01	1205.17	1377.34	1549.51	1893.85	2238.18	2582.52	3099.02
Leighton Bromswold	1040.88	1214.35	1387.83	1561.31	1908.27	2255.22	2602.19	3122.62
Little Paxton	1042.85	1216.65	1390.46	1564.27	1911.89	2259.50	2607.12	3128.54
Morborne	1000.49	1167.23	1333.98	1500.73	1834.23	2167.72	2501.22	3001.46
Offord Cluny & Offord D'Arcy	1059.33	1235.88	1412.43	1588.99	1942.10	2295.21	2648.32	3177.98
Old Hurst	1036.04	1208.71	1381.38	1554.06	1899.41	2244.75	2590.10	3108.12
Old Weston	1025.61	1196.54	1367.47	1538.41	1880.28	2222.15	2564.02	3076.82
Perry	1032.25	1204.28	1376.33	1548.37	1892.46	2236.53	2580.62	3096.74
Pidley-cum-Fenton	1028.08	1199.41	1370.76	1542.11	1884.81	2227.49	2570.19	3084.22
Ramsey	1035.64	1208.24	1380.85	1553.46	1898.68	2243.89	2589.10	3106.92
St.Ives	1077.54	1257.12	1436.71	1616.30	1975.48	2334.65	2693.84	3232.60
St.Neots	1056.64	1232.74	1408.85	1584.96	1937.18	2289.39	2641.60	3169.92
Sawtry	1051.54	1226.78	1402.04	1577.30	1927.82	2278.32	2628.84	3154.60
Sibson-cum-Stibbington	1035.41	1207.97	1380.54	1553.11	1898.25	2243.38	2588.52	3106.22
Somersham	1076.42	1255.82	1435.22	1614.63	1973.44	2332.24	2691.05	3229.26
Southoe & Midloe	1053.82	1229.45	1405.09	1580.73	1932.01	2283.28	2634.55	3161.46
Spaldwick	1028.98	1200.47	1371.97	1543.47	1886.47	2229.46	2572.45	3086.94
Stilton	1046.85	1221.32	1395.79	1570.27	1919.22	2268.17	2617.12	3140.54
Stow Longa	1035.41	1207.97	1380.54	1553.11	1898.25	2243.38	2588.52	3106.22
The Stukeleys	1044.68	1218.78	1392.90	1567.01	1915.24	2263.46	2611.69	3134.02
Tilbrook	1017.73	1187.34	1356.97	1526.59	1865.84	2205.07	2544.32	3053.18
Toseland	1012.77	1181.56	1350.35	1519.15	1856.74	2194.33	2531.92	3038.30
Upton & Coppingford	1032.62	1204.71	1376.82	1548.92	1893.13	2237.33	2581.54	3097.84
Upwood & the Raveleys	1033.41	1205.64	1377.87	1550.11	1894.58	2239.05	2583.52	3100.22
Warboys	1044.66	1218.77	1392.88	1566.99	1915.21	2263.43	2611.65	3133.98
Waresley-cum-Tetworth	1015.66	1184.93	1354.21	1523.49	1862.05	2200.60	2539.15	3046.98
Water Newton	1000.49	1167.23	1333.98	1500.73	1834.23	2167.72	2501.22	3001.46
Winwick	1000.49	1167.23	1333.98	1500.73	1834.23	2167.72	2501.22	3001.46
Wistow	1033.20	1205.40	1377.60	1549.80	1894.20	2238.60	2583.00	3099.60
Woodhurst	1022.86	1193.33	1363.81	1534.29	1875.25	2216.20	2557.15	3068.58
Woodwalton	1043.22	1217.09	1390.96	1564.83	1912.57	2260.31	2608.05	3129.66
Wyton-On-The-Hill	1040.66	1214.10	1387.54	1560.99	1907.88	2254.76	2601.65	3121.98
Yaxley	1067.78	1245.73	1423.70	1601.66	1957.59	2313.51	2669.44	3203.32
Yelling	1014.28	1183.32	1352.37	1521.42	1859.52	2197.61	2535.70	3042.84

Code of Financial Management

The 2014/15 Code of Financial Management includes a number of changes; reflecting both procedural changes to financial management and to reflect the new management structure.

Where previously the code stated:

- i. Assistant Director (Finance and Resources); this is now the Responsible Financial Officer; as the designated Section 151 officer (Local Government Act 1972) and Responsible Financial Officer (Accounts and Audit Regulations 2011), and
- ii. Accountancy Manager, this is now the Deputy Responsible Financial Officer; as the designated Deputy Section 151 Officer.
- iii. Head of Legal and Democratic Services; this is now the Monitoring Officer

The main changes to the Code of Financial Management are summarised below. However, the list does not include the post title changes noted above as this would distract from the aim of showing only the "main changes".

Paragraph No.	Section	Change
3.1	Financial Monitoring	Clarification of financial monitoring by budget managers; including reporting to the Responsible Financial Officer and Corporate Management Teams, the publication of the Financial Performance Monitoring Suite and the Financial Dashboard.
3.3	Grants, Cost Sharing and S106/CIL agreements	Clarification of governance around resources required to submit applications for grants, contributions and other external funding.
3.6	Budget Transfers	Note in respect of Technical Budgets and that they are the responsibility of the Deputy Responsible Financial Officer.
4.2	Income	<ul style="list-style-type: none"> • Inclusion of the responsibility of the Head of Customer Services to manage the Council Tax and Non-Domestic Rates collection service. • Clarification that the Deputy Responsible Financial Officer manages a "sundry" debts debt collection service.
4.3	Treasury Management	The inclusion of the Treasury Management Advisory Group.
5.2 (and 5.9)	Annual Financial Report	Change of title, from the Statement of Accounts to Annual Financial Report.
5.3	Records	Inclusion of a payments control that was approved by Council in November 2013; in respect of cross-referencing of contracts with general ledger invoice/payment records.
6.3	Assets (Capital): Acquisition	Clarification in the approach to the acquisition and disposal of capital assets, including achieving "Best Value" and approval from the Capital and Treasury Strategy Group.
6.4	Assets (Capital): Disposal	
6.7	Valuations	Clarification on when assets are to be valued outside of the three year "phased" revaluation programme.
Annex B	Budgets for Pay	The contingency pay budget is removed. Where in-year pay savings are identified in excess of approved MTP savings, appropriate budget adjustments will be made and savings achieved transferred to the "centre" to meet the MTP approved unallocated savings.

1. FINANCIAL RESPONSIBILITIES

1.1 General

Before any proposal that affects the Council's financial position is made the body or person(s) responsible for making that decision, or for making a recommendation to that body or person(s), shall consider a written report, approved by the Responsible Financial Officer, detailing the financial implications.

1.2 The Council

Will:

- determine the Council's Financial Strategy and Medium Term Financial Plan (MTP), approve the annual budget and set the level of the council tax.
- approve the Council's Treasury Management Strategy and Prudential Indicators.
- approve changes to this Code.

1.3 The Corporate Governance Panel

Will:

- ensure that the financial management of the Council is adequate and effective.
- ensure that the Council has a sound system of internal control including arrangements for the management of risk.
- consider the Council's Code of Corporate Governance and approve the annual statement.
- approve the internal audit charter and the annual internal audit plan and comment on the external audit plan.
- approve the Council's final accounts before publication.
- consider reports from the external auditor.
- recommend changes to this Code to the Council.

1.4 The Cabinet:

Will:

- propose to the Council:
 - the Financial Strategy
 - the MTP
 - the annual budget and council tax level
 - a combined annual report including the Treasury Management Strategy, Treasury Management Policy and Prudential Indicators, after considering the views of the appropriate Overview and Scrutiny Panel and representatives of the business community.
- set financial priorities, allocate and re-allocate resources in accordance with the limits in this Code, monitor and review financial performance.

1.5 Overview and Scrutiny Panels

Will contribute to the development of, and review the effectiveness of, the Council's Financial Strategy, MTP, Treasury Management and annual budget.

1.6 Cabinet, Panels and Working Groups

Will ensure that all decisions within their remit are made within the resources allocated within relevant budgets and are consistent with achieving the Council's objectives. If they wish to make proposals that will require additional resources, these will need to be subject to Officers, the Cabinet or the Council making these available in accordance with this Code.

1.7 Members and Employees

Will contribute to the general stewardship, integrity and confidence in the Council's financial affairs and comply with this Code and any systems, procedures, or policies relating to the financial management of the Council.

Specifically, they shall bring to the attention of the Responsible Financial Officer any act or omission that is contrary to the provisions of this Code or the maintenance of high standards of

financial probity, and provide information or explanation on matters within their responsibility to him/her, the Monitoring Officer, Internal Audit Service or the Council's external auditors.

Any member or employee who is involved in a transaction with the Council, or who has an **interest** in a transaction between a third party and the Council, shall declare the nature and amount to the Council's Monitoring Officer before any decision on the matter is made by the Council. The Monitoring Officer will advise the member or employee of any actions they should or must take.

For the purpose of this section an interest also includes any **interest** of a member of your family or a close associate or acquaintance. This shall be interpreted as anyone whom a reasonable member of the public might think you would be prepared to favour or disadvantage.

1.8 The Monitoring Officer or, in his/her absence, the Deputy Monitoring Officer

Will report to the Council on any proposal, decision or omission that in his/her view is likely to result in the contravention of the law or any code of practice enacted under it, fails to comply with a legal duty, represents maladministration or is unjust, in accordance with section 5 of the Local Government and Housing Act 1989.

For these purposes he/she shall have full and unrestricted access to all Council assets, systems, documents, information, employees and Members.

1.10 The Responsible Financial Officer or, in his/her absence, the Deputy Responsible Financial Officer.

Will be responsible for the proper administration of the Council's financial affairs, prescribe appropriate financial systems, protocols, procedures and policies, maintain an internal audit service and report to the Council in the event of a decision or action leading to unlawful expenditure, a loss or deficiency or an unlawful accounting entry (in accordance with section 151 of the Local Government Act 1972, section 114 of the Local Government Act 1988 and the Accounts and Audit Regulations).

Will be responsible for ensuring the final accounts are completed and published by the statutory dates and reporting the details of any material amendments specified by the external auditor to the Corporate Governance Panel.

For these purposes he/she shall have full and unrestricted access to all Council assets, systems, documents, information, employees and Members.

1.11 The Deputy Responsible Financial Officer will be responsible for detailed and operational aspects of the administration of the Council's financial affairs on behalf of the Responsible Financial Officer, approving new financial systems and undertaking such duties as are set out in this Code.

1.12 Budget Managers (Corporate Office Manager, Service Managers, Heads of Service, Assistant Directors and Managing Director)

The Council's management structure is based on Service Managers, Heads of Service, the Managing Director and the Corporate Office Manager taking responsibility for a service and its related budget. For the purpose of this Code they are referred to as Budget Managers. Whilst they retain ultimate responsibility they will often delegate appropriate tasks to their employees.

The Budget Manager responsible for a budget:

- will be responsible for proper financial and resource management and the prevention of fraud and corruption within the services and functions under their control.
- will be responsible for informing the Internal Audit & Risk Manager of all suspected or notified cases of fraud, corruption or impropriety
- may incur financial commitments and liabilities in accordance with this Code, the Council's Scheme of Delegation and resources allocated in budgets that have been released subject to Annex B. In particular they may make purchases of goods and services, subject to the requirements of the Code of Procurement, and employ staff, in accordance with HR policies

and any COMT requirements. Annex B deals with the implications of the turnover contingency and includes the requirement that, when an employee leaves, they will determine whether:

- the post is kept vacant for a period before a decision is made,
 - the post can be deleted,
 - a restructuring should be proposed,
 - joint working with another body should be considered
 - the post should be filled at the end of a defined period,
 - it should be filled as soon as possible,
 - it should be filled as soon as possible and temporary employees or consultants are engaged to provide cover in the meantime.
- will be responsible for regular and effective monitoring and forecasting of the financial position relating to their services.
 - will determine the inherent risks, within their services, to the achievement of the Council's priorities and establish, maintain and document adequate systems of risk management and internal control, in consultation with the Internal Audit Service, and ensure that relevant employees or Members are familiar with such systems.
 - will be responsible for providing in a timely manner, the information necessary to ensure that the final accounts can be completed by the statutory deadlines.
 - will be responsible for annually reviewing their services to identify any aspects where surplus capacity could be utilised to reduce the net cost of the Council's services. All identified opportunities shall be introduced unless Cabinet or both the Executive Councillor for Finance and of the relevant service considers it would not be appropriate.
 - will be responsible for seeking improvements in the efficiency of their services.
 - will be responsible for identifying opportunities and then bidding for grants or contributions from other bodies to support the achievement of the Council objectives through their services.
 - will be responsible for maximising the income from fees and charges relating to their service in accordance with Annex C.

1.13 Internal Audit

Will be responsible for providing an independent and objective opinion on internal control, risk management and governance systems. It will act in accordance with the internal audit charter and undertake reviews that focus on areas of greatest risk to the Council's control environment as contained within a programme agreed annually by the Corporate Governance Panel after consultation with the Responsible Financial Officer and Budget Managers.

For these purposes internal audit shall have free, full and unrestricted access to services and functions and all Council assets, systems, documents, information, employees and Members. All employees are required to assist internal audit to carry out its role.

2. FINANCIAL AND SERVICE PLANNING

2.1 In the Summer - Overall Review

The Cabinet shall review the financial performance of the Council in the previous year, compared with the annual budget, on the basis of a report prepared by the Deputy Responsible Financial Officer in conjunction with Budget Managers.

2.2 In the Autumn - Financial Strategy

The Cabinet, after consultation with the relevant Overview and Scrutiny Panel and any appropriate organisations or bodies, shall recommend to the Council a Financial Strategy which will be used to determine the overall financial limits within which the annual budget and MTP will be prepared.

2.3 In the Winter - Annual Budget and MTP

The Cabinet shall, after consultation with the relevant Overview and Scrutiny Panel, recommend to the Council an annual budget for the next financial year and a MTP for the succeeding four years, incorporating both capital and revenue expenditure, which is consistent with corporate and

service strategies and the Financial Strategy. This budget will include the allocation of resources to individual services and capital projects.

2.4 In the Spring - Service Financial Plans

Following approval of the annual budget each Budget Manager shall update their Service Plan(s) to reflect the approved budget and how the resources allocated will be used to meet service objectives in the forthcoming year.

3. CONTROLLING FINANCIAL PLANS

3.1 Financial Monitoring

Budget Managers will be responsible for regular and effective monitoring and forecasting of the financial position relating to their services. Where it is identified that that will be a significant overspend, this will be promptly reported to the Responsible Financial Officer by the Budget Manager. If it is considered necessary by the Responsible Financial Officer, the Budget Manager may have to report directly to the Chief Officers' Management Team.

The Chief Officers' Management Team will review, on a monthly basis, the Financial Performance Monitoring Suite (FPMS). The FPMS will include the following:

- Headline summary of financial performance.
- Financial Performance Summary (including impact on reserves).
- Head of Service Corporate Budget Monitoring report for the current year.
- MTP Savings Forecast for the current year.
- Pre-achievement of future year's savings target report.
- Financial Dashboard

The FPMS will:

- be prepared by the Deputy Responsible Financial Officer, in consultation with each Budget Manager.
- Be reported to Cabinet on a monthly basis, starting from July each financial year.

Heads of Service will ensure that relevant Executive Councillors are regularly informed of the progress in delivering approved MTP schemes.

The Deputy Responsible Financial Officer will produce and circulate to all members, starting in July of each financial year, a Financial Dashboard. The Financial Dashboard is a high-level financial reporting tool and will include the following for the current financial year:

- Forecast Revenue Income and Expenditure analysis, including a subjective analysis of gross expenditure.
- Forecast Capital gross and net income and expenditure, including how the budget has changed from month-to-month and how the capital programme is to be financed.
- Analysis of Sundry Debtors, including an indication of changes in the Bad Debt Provision.
- Forecast on the net cost of the Council Tax Support Scheme.
- Forecast collection of Non-Domestic Rates and Council Tax.
- Achievement of New Homes Bonus.

3.2 Commitments to Expenditure in Future Years

No new commitment to expenditure beyond the current budget year may be made unless it;

- is consistent with the achievement of the Council's objectives and other relevant Strategies, **and**
- is compatible with the Council's MTP and Financial Strategy, **and, either**
- can be met from within currently approved and released resources. This includes budget transfers in accordance with section 3.6 below, **or**
- is funded from savings. These must be defined, permanent and not already earmarked for the achievement of the Council's savings targets. This includes any savings identified in accordance with section 3.5 below.

If the Budget Manager has any concerns about their proposal meeting these requirements they must consult the Deputy Responsible Financial Officer.

3.3 Grants, Cost Sharing and S106/CIL agreements

Where a Budget Manager proposes to take advantage of:

- receipts of grants, contributions and other forms of external funding, or
- enter cost sharing arrangements,

with other organisations, and where such arrangements will deliver additional or improved services, consistent with their Service Plan without creating any current or future commitment to net expenditure they may do so subject to:

- the relevant Head of Service being satisfied that the project funding meets with Corporate Objectives and that the resource required to produce the bidding documents is reasonable.
- the funds being dependent upon a particular project or service being provided but, in the case of S106/CIL agreements, the location or some other aspect is at the Council's discretion.
- informing the Deputy Responsible Financial Officer of the details
- consulting the relevant Executive Councillor(s) if the proposal exceeds £30,000 revenue or £50,000 capital in any one year or on any discretionary element of a S106/CIL sum.

A Budget Manager may utilise sums of money received under S106/CIL, or equivalent, agreements where there is no discretion. The Deputy Responsible Financial Officer should be informed of the details. The Budget Manager must also supply the Deputy Responsible Financial Officer with:

- A copy of all information that supports the grants received (grant letter etc) so a decision can be made in respect of the correct accounting treatment.
- Documentation confirming how they plan to meet any grant conditions.

3.4 Approvals for additional spending with a net impact

The Managing Director, or in his absence, the Responsible Financial Officer, may incur expenditure for the immediate alleviation of hardship or suffering in the case of peacetime emergency in the District. Any exercise of this power must be reported to the Cabinet (under £350,000) or the Council (over £350,000) at the first opportunity.

The Managing Director, or in his absence, the Responsible Financial Officer, may incur expenditure of up to £350,000 for any purpose which is urgent and demonstrably in the Council's best interests to do so following consultation with the Executive Leader or Deputy Executive Leader. Any exercise of this power must be reported to the Cabinet at the first opportunity.

Proposals for increases to the total allocated to a budget in the current year (Supplementary Estimates) and their impact in future years may be approved by the Cabinet subject to the revenue impact not exceeding £350,000 in aggregate in any financial year. Once such approvals have been reported to Council the Cabinet's limit will be re-set. A transfer of a sum from capital to revenue will have a revenue impact and so will count as a request for additional spending.

In all other cases the approval of the Council will be required.

3.5 Approvals for additional spending with compensating savings

Proposals that require initial funding but will then result in net surpluses or savings that are at least sufficient to produce a break-even position will be supported in principle if they are:

- consistent with increasing the achievement of the Council's objectives and compatible with relevant Strategies.
- achievable within the Council's Financial Strategy.
- supported by a robust business case which includes a risk assessment.
- supported by the Chief Officers' Management Team.

The Responsible Financial Officer may approve such a scheme following consultation with the relevant Executive Councillor for the service and the Executive Councillor for Resources. The relevant budget(s) and MTP will be appropriately adjusted.

3.6 Budget Transfers

Each Budget Manager will have responsibility for some or all of the following types of budget which are defined by the grey highlighted lines in the "Controllable Budget" Annex to the approved budget and MTP.

- **Service Revenue Budgets**
These budgets include the direct controllable costs of providing the particular service to the public and are shown in the controllable budget annex when the budget is approved. They do not include any revenue impact of capital funding or recharges from any Management Units or Overhead Budgets.
- **Capital Scheme Budgets**
These provide the funding to complete a defined capital project and may include provision for some recharges from Management Units and Overhead Budgets to cover project management and design fees where these are carried out internally.
- **Management Unit Budgets**
Management Unit budgets collect together the employment and ancillary costs of those employees who carry out or support the Council's services. In some cases, where the employees are only involved in providing a single service they may be included under the relevant Service Revenue budget.
- **Overhead Budgets**
Overhead budgets collect together the direct costs of certain overheads which support the delivery of services. e.g. office costs.
- **Technical Budgets**
These budgets will be the responsibility of the Deputy Responsible Finance Officer. These include items such as borrowing and investment interest, unallocated contingencies and the Minimum Revenue Provision. They will not be available for transfer to other budgets except in meeting the specific purpose for which they were established.

Whilst most budgets will reflect a net cost, some will identify an expected surplus.

The transfer of resources within, or between, any of the types of budgets is supported in principle when it will make it more likely that the Council will achieve its service objectives and targets or enhance value for money. There do, however, need to be some limitations for effective financial management and to ensure that Executive Councillors, Cabinet and Council are aware of, and involved in, the more significant changes or where there is a financial implication.

The limitations fall into three categories. The first relates to Technical Budgets and recharges and Annex A details the budget transfers that will not be permitted in relation to them. The second relates to budgets for pay, national insurance and pension contributions and Annex B explains why and how budget transfers relating to these items are limited. Finally, the required involvement of Members is defined below.

The Budget Manager may approve a budget transfer within and between the budgets they are responsible for providing it is:

- Consistent with increasing, or at least maintaining the achievement of service objectives and compatible with the Council's Financial and other relevant Strategies.
- Not to or from a Technical Budget or from a pay, NI or pension contributions budget unless permitted by Annexes A or B.
- Not from capital to revenue.
- Notified to the Deputy Responsible Financial Officer
- Within the following limits if between budgets (there shall be no financial limits within a budget):
 - Revenue to revenue £75k
 - Revenue to capital £75k
 - Capital to capital £75k

The **Chief Officers' Management Team** may, subject to the same criteria, except for the enhanced limits shown below, approve budget transfers between any budgets:

- Revenue to revenue £150k
- Revenue to capital £150k
- Capital to capital £150k

Cabinet may approve budget transfers of up to:

- Revenue to revenue £350k
- Revenue to capital £350k
- Capital to capital £350k

In all cases, any previous transfers in the same financial year relating to those budgets shall be aggregated for determining whether the limit has been exceeded, however once the impact of any approval has been included in a relevant financial report to Council, the relevant limit will be re-set.

In all other cases the approval of the Council will be required.

3.7 Re-phasing of Expenditure

The re-phasing of expenditure and consequent transfer of budget between years may be made by the Responsible Financial Officer following a request from a Budget Manager, providing that it is consistent with service objectives and compatible with the Council's Financial and other relevant Strategies. Revenue expenditure will only, normally, be rephased to later years if it relates to a specific project with identified funding in the current year that has been delayed for reasons outside of the control of the relevant Budget Manager. The amount is further limited by the net under spending on that Budget Manager's relevant budget(s) in the current year.

3.8 Price Base Changes

Allocation to individual Budgets of any provision for inflation or other purposes will be determined by the Deputy Responsible Financial Officer.

3.9 Project Appraisals

All proposals for changes to the MTP will require an explanatory appraisal, unless the Deputy Responsible Financial Officer considers that the item is of a technical nature. Appraisals for new and modified schemes will be made available to Members, via the Council's intranet, by the date on which the related reports are circulated.

4. CASH AND CREDIT MANAGEMENT

4.1 Banking

The Responsible Financial Officer is responsible for all Council banking arrangements and shall maintain an account(s) with an appropriate bank(s) as defined in the Treasury Management Strategy. All transactions involving income or expenditure shall be dealt with through the Council's bank account(s).

4.2 Income

All employees receiving money (including cash, cheques, credit card payments etc.) must comply with the relevant procedures issued by the Head of Customer Services to ensure that the sums are properly recorded, receipted and banked.

No cash payment in excess of £1,000 will be accepted.

The Head of Customer Services will manage the Council Tax and Non-Domestic Rating collection service on behalf of the Council; including the billing and debt recovery procedures.

The Deputy Responsible Financial Officer shall manage a sundry debt collection service on behalf of the Council and all sums due must be registered by raising an invoice on the Council's Financial

Management System or some other system or procedure approved by the Deputy Responsible Financial Officer.

All Budget Holders are required to ensure that:

- Invoices are raised promptly
- The income team are advised promptly of any required invoice adjustments
- Invoice queries are answered promptly
- The income team are informed of any information that may affect the recovery of any invoiced sums
- They periodically consider, in liaison with the income team, whether there would be a more effective or efficient way of collecting sums due (e.g. cash in advance).

4.3 Treasury Management

All Treasury Management activities will be undertaken in accordance with the Council's annual Treasury Management Strategy, which includes its policies, objectives, approach to risk management and its prudential indicators. The Strategy will comply with the Code of Practice for Treasury Management and the Prudential Code for Capital Finance, both published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and reflect any published Government advice.

The Council shall have overall responsibility for Treasury Management and will formally approve the annual Treasury Management Strategy and receive an annual and mid-year report on treasury management activities.

The Cabinet will be responsible for the implementation and regular monitoring of treasury management activity. The Treasury Management Advisory Group will include:

- the Executive and Deputy Leaders, the Executive Councillor responsible for resources and the Chairman of the Overview and Scrutiny (Economic Well-being) Panel. Other members can be co-opted onto the group at the discretion of the Executive Leader.
- The Managing Director, the Responsible Financial Officer and the Deputy Responsible Financial Officer. Other officers can be co-opted onto the group at the discretion of the Managing Director or the Responsible Financial Officer.

The Overview and Scrutiny (Economic Well-being) Panel will be responsible for the scrutiny of treasury management.

The execution and administration of treasury management is delegated to the Deputy Responsible Financial Officer who will establish treasury management practices for the operation of the function which will ensure compliance with the Strategy and create appropriate systems of monitoring and control.

4.4 Payments

All payments must be made either:

- through the Council's purchase ledger system, with payments being made direct to the supplier's bank account wherever this is practicable.
- by corporate card or procurement card
- by direct debits or standing orders
- by some other system specifically approved by the Deputy Responsible Financial Officer.

in each case complying fully with the relevant procedures for that system (e.g. appropriate authorisation), particularly the requirement to obtain official VAT receipts, as determined by the Deputy Responsible Financial Officer.

5. ACCOUNTING PROCEDURES

5.1 The Council will follow the best practice guidance contained in the Accounting Code of Practice and other relevant publications produced by CIPFA in the preparation and maintenance of its accounts.

5.2 Annual Financial Report

The Annual Financial Report (formerly the Statement of Accounts) shall be presented to the Corporate Governance Panel for approval within the prescribed statutory timescale.

5.3 Records

Each Budget Manager is responsible for maintaining records of financial transactions and commitments and employee time, in forms agreed with the Deputy Responsible Financial Officer, and for ensuring that all financial transactions are properly recorded in the appropriate financial period and to an appropriate account within the Council's Financial Management System. Each Budget Manager is responsible for ensuring that the Financial Management System is used only by authorised individuals and for proper council purposes.

In respect of all contractual payments where the contract was required to be recorded on the Contracts Register in accordance with paragraph 3.1 of the Code of Procurement, the Budget Manager shall ensure that all invoices or payment records authorised for payment shall include in the 'Our Reference' field in Council's Financial Management System (eFinancials), the unique Contract Register reference. This number shall be in the same format/style as allocated by the Contract Register.

5.4 Retention of Documents

Documents required for the verification of accounts, including invoices, shall be retained in a retrievable format for any statutory period, or otherwise for six years or such other time that is specified by the Deputy Responsible Financial Officer.

5.5 Contingent Assets and Liabilities

Any Officer who is aware of a material and outstanding contingent asset or liability shall notify the Deputy Responsible Financial Officer, who shall include details in the Council's accounts or in a Letter of Representation to be presented to the Council's external auditors in respect of those accounts.

5.6 Stock

The Deputy Responsible Financial Officer shall determine, after consultation with the relevant Budget Manager, when Stock accounts shall be maintained. This will normally be where the value of the items are significant or the items are considered to be vulnerable to loss or theft.

In such cases the relevant Budget Manager shall ensure that a certified stock-take is carried out in the last week of March each year, and that records of receipt and issue of all stock are maintained throughout the year in a manner agreed with the Deputy Responsible Financial Officer.

5.7 Insurance

The Internal Audit Manager shall obtain insurance to protect the Council or minimise its potential losses from risks including those to employees, property, equipment and cash. Any decision not to insure significant risks must be based on a detailed risk assessment.

5.8 Write-off of Irrecoverable Debts

The Head of Customer Services, or in his/her absence the Deputy Responsible Financial Officer, is authorised to write-off debts with an individual value of up to £5,000, or of a greater amount after consultation with the Executive Councillor responsible for resources, having taken appropriate steps to satisfy himself/herself that the debts are irrecoverable or cannot be recovered without incurring disproportionate costs.

A summary report of debts written-off shall be submitted to the Cabinet quarterly.

5.9 Accounts Closure, Accounting Accruals and Estimates

The Annual Financial Report will be produced in line with both statutory regulations and relevant Codes of Practice.

The Deputy Responsible Financial Officer will ensure that there is appropriate liaison with service teams prior to closure, including the hosting of relevant training and the issue of closure guidance and timetables. The accruals de-minimis limits will be adhered to by all services, and where estimated accruals are to be issued they are to be supported by accurate calculation. Other accounting estimates will be calculated by accountancy staff in line with professional advice.

Provisions, either for Bad Debts or other purposes will be calculated in line with the guidelines approved by the Deputy Responsible Financial Officer. Earmarked reserves can only be established with the agreement of the Responsible Financial Officer.

6. ASSETS (Capital)

6.1 Definition

An asset is an item of land, building, road or other infrastructure, vehicle or plant, equipment, furniture and fittings or information and communications technology, (hardware and software) with a life exceeding one year.

6.2 Control of Assets

Each Budget Manager is responsible for ensuring that the assets relating to their services are properly safeguarded, managed and maintained, and used only to achieve the Council's objectives. This will include establishing and maintaining appropriate security, control systems and records. They will need to consult relevant officers in relation to specialist items and, where vehicles are concerned, the officer holding the Council's Operating Certificate who has specific statutory responsibilities.

Heads of Service must keep up to date records so a physical verification of all capital assets, and their condition, is possible.

6.3 Acquisition

The purchase of assets has to be in line with the requirements of "Best Value" and should be acquired in a similar way as goods and services are acquired (see the Code of Procurement).

Heads of Service:

- should follow advice from relevant specialist colleagues in appropriate cases e.g. IMD, vehicle management, legal, procurement,
- must have received approval from the Capital and Treasury Strategy Group that the disposal of the asset is agreed.

The relevant Budget Manager shall inform the Deputy Responsible Financial Officer within 10 working days of the acquisition of an asset which meets the definition for capital expenditure:

- Plant and vehicles over £10k
- other individual items over £10k
- aggregations of similar articles amounting to £10k e.g. wheelie bins

6.4 Disposal

The disposal of assets has to be in line with the requirements of “Best Value” and should be disposed of in a similar way as goods and services are acquired (see the Code of Procurement).
Heads of Service:

- should follow advice from relevant specialist colleagues in appropriate cases e.g. IMD, vehicle management, legal, procurement,
- must have received approval from the Capital and Treasury Strategy Group that the disposal of the asset is agreed.

Once the asset is disposed of, the relevant Budget Manager will inform the Deputy Responsible Financial Officer within 10 working days of any disposal of an asset included in the Asset Register.

6.5 Capital Expenditure

The purchase or improvement of any asset will normally be treated as capital expenditure. However, expenditure of less than £10,000 will not normally be treated as capital expenditure unless the Deputy Responsible Financial Officer considers it is in the Council’s interests to do so.

6.6 Leases

Finance and operating leases are to be used only if they are in the Council's financial interest and with the prior formal approval of the Deputy Responsible Financial Officer.

6.7 Valuations

In order to comply with accounting requirements assets will need to be revalued at regular intervals. A three year “phased” revaluation programme will be followed, other than for:

- those assets that are categorised as “investment” properties (e.g. industrial units), which must be revalued every year, or
- where, following significant capital investment or disinvestment in an asset within an asset group, whereby the whole asset group will be revalued.

All capital asset revaluations for the Annual Financial Report will be obtained by the Deputy Responsible Financial Officer.

ANNEX A

TECHNICAL BUDGETS

The following budgets cannot be reduced by officers in order to permit extra expenditure on another budget except where this is part of the specific purpose for which they were established.

- Any contingency, unless it complies with the approved rules for the use of that contingency or is an adjustment to reflect the technical application of the contingency (e.g. allocation of inflation from an inflation contingency)
- Capital charges
- Minimum Revenue Provision
- Pension Liabilities (as opposed to pension contributions)
- Interest paid
- Interest received
- Recharges

ANNEX B

BUDGETS FOR PAY

(Pay is deemed to include NI and Pension Contributions for the purpose of this annex)

1. The Councils pay budget represents the approved establishment of the Council. For each given year, the pay budget will be net of approved pay savings.
2. In any given year it is unlikely that the Council will exactly meet its pay budget; this could be due to a range of reasons; including delayed recruitment, new starters starting on lower spinal points or natural gaps in the recruitment process.
3. Obviously it is unlikely that each pay budget will be equally affected in any particular year and therefore, to simplify budget monitoring, each pay budget includes 100% of employee costs. Through ongoing budget monitoring, where savings are identified that are in excess of previously approved MTP savings, pay budgets will be reduced and the saving transferred to meet any MTP approved unallocated savings. It is expected that Budget Managers will be robust in their approach to staff budgets and where savings are identified, they will be expected to be given up.
3. Therefore the use of savings, virements or rephasing relating to a pay budgets, whether temporary or permanent, will not be permitted.

Employees Leaving

4. In order to maximise the likelihood of achieving this saving a Budget Manager must, whenever an employee gives their notice, determine whether:
 - a. the post is kept vacant for a period before a decision is made,
 - b. the post can be deleted,
 - c. a restructuring should be proposed,
 - d. joint working with another body should be considered
 - e. the post should be filled at the end of a defined period,
 - f. it should be filled as soon as possible,
 - g. it should be filled as soon as possible and temporary employees or consultants are engaged to provide cover in the meantime.
5. In deciding on which option to take the Budget Manager should take appropriate HR and financial advice. The decision must include consideration of any need for temporary or permanent regradings, acting up allowances, honoraria, employees or consultants.
6. Budget Managers will also need to liaise with HR to arrange recruitment advertising and ensure that the recruitment arrangements comply with the process agreed by the Employment Panel.

Exceptions

7. If the Budget Manager can demonstrate the **critical** nature of maintaining immediate service cover in certain key work areas then the requirements of paragraph 4 above will not apply and the saving/budget reduction may be reduced or nil. Examples where this might apply would be if vacancies would result in insufficient employees with the necessary abilities or skills to run refuse rounds or to safely open swimming pools. This is conditional upon agency, or equivalent employees, being available with the necessary skills and/or abilities.
8. If the Budget Manager can demonstrate that a critical backlog of work has developed from continuing vacancies such that the service to the public is seriously compromised or net additional costs would become unavoidable the saving/budget reduction may be reduced. Examples where this might apply would be dealing with benefit applications or collecting council tax income. This is conditional upon agency, or equivalent employees, being available with the necessary skills and/or abilities.

ANNEX C

MAXIMISING INCOME FROM FEES AND CHARGES

The Budget Manager responsible for a budget shall:

- annually review their services to identify any aspects that are not currently, but could be charged for. Charges for such aspects shall be introduced unless Cabinet or both the Executive Councillor for Resources and of the relevant service considers it would not be appropriate.
- review fees and charges and introduce any resulting changes at least annually, after consultation with the relevant Executive Councillor(s) unless there is a formal requirement for the charges to be determined by Cabinet or a Panel. In doing so, they:
 - shall ensure that relevant legislation that specifies the charges to be made or constrains them in any way is complied with.
 - shall, after having regard to the charges of any alternative service providers with whom the Council is competing, seek to maximise income, net of applicable costs, unless it will have a clearly detrimental impact on the achievement of the Council objectives.
 - may introduce differential pricing to particular client groups where these are expected to stimulate demand and generate additional net income which would otherwise not be obtained.
 - may set prices lower than could be reasonably achieved if this is demonstrably the most cost effective way of achieving Council objectives and the necessary funding is available. Use of this option requires approval of Cabinet **or** both the Executive Councillor for Finance and of the relevant service.
 - may set fees and charges that allow an element of discretion if it can be demonstrated that this will lead to an overall benefit to the Council. It is important that any use of discretion is recorded so that it can be clearly shown that decisions have been made fairly and consistently.
 - shall keep appropriate records to demonstrate that the required actions have been undertaken and how the decisions were reached.

CODE OF PROCUREMENT 2014

1. INTRODUCTION

- 1.1 The Code of Procurement defines the regulatory and legal framework for procurement. It has been adopted in accordance with the requirements of Section 135 (2) of the Local Government Act 1972.
- 1.2 Throughout the Code, reference to Manager shall mean Managing Director, **Corporate** Director, Head of Service, Manager, Service Manger or Team Manager as appropriate. A Manager shall be responsible for procuring all goods and services that require the quotation or tender procedures as set out in this Code to be followed.
- 1.3 No Manager shall procure any goods or services valued at **£5,000** or more unless they have attended training provided by the Procurement Manager and consider themselves to have such detailed knowledge and understanding of this Code and how it shall be applied in respect of the total value of the procurement being considered.
- 1.4 This Code applies to the procurement, commissioning, hire, rental or lease of -
 - land and buildings, roads or other infrastructure;
 - vehicles or plant;
 - equipment, furniture and fittings;
 - construction and engineering works;
 - information and communication technology - hardware and software;
 - goods, materials and services;
 - repairs and maintenance;
 - consultants, agents and professional services.
- 1.5 This Code does not apply to purchases made from internal management units.
- 1.6 The Code applies also to the sale of assets and goods by the Council where the appropriate Manager estimates that the assets, goods or services to be sold exceed £1000. Where the value is estimated to be less than £1000 then the 'Sale of Equipment' procedures contained within the Inventory procedures shall be followed.
- 1.7 The Council includes the Cabinet, Panels, Committees or other body or person(s) acting in accordance with delegated authority on behalf of the Council.
- 1.8 All procurements or sales made by or on behalf of the Council shall comply with this Code, subject to any overriding requirements of the Council's Rules of Procedure and Code of Financial Management and British or European Union law or regulation.
- 1.9 Throughout the Code, reference to contractor(s) or sub-contractor(s) shall mean any person, company or supplier who has -
 - requested to be on an approved or ad-hoc approved list of tenderers;
 - been approached to provide a quotation or tender;
 - provided a quotation or tender; or
 - been awarded a contract in accordance with the provisions of this Code.
- 1.10 The **Corporate Director (Services)** shall annually review all the financial values contained in the Code to take account of the impact of inflation. The **Corporate Director (Services)** shall inform all Managers of any amendments to the values prior to the 1st April from which they shall be operative.

2. REPORTING PROCEDURES AND EU COMPLIANCE

- 2.1 EU Procurement Directives require the Council, to report procurements likely to exceed EU thresholds, both at the start of the year and on an ad-hoc basis as new or changed requirements arise. The EU thresholds (as at 1 January 2014) are:

Threshold	Supplies and Services	Works
£ Sterling	£ 172,514	£4,322,012
€ Euro	€ 207,000	€ 5,186,000

2.2 Financial Year Start Reporting

No later than the 1 April each year, Managers shall:

- provide the following information to the Procurement Manager -
 - Details of each contract expected to be advertised in the following year;
 - An estimate of the total value for each discrete procurement area where the spend is likely to exceed £100,000;
- advertise very brief details of each contract expected to be advertised in the following year. The advertisement shall take the form of a Prior Indicative Notice (PIN). The publishing of a PIN does not commit the Council, but can reduce timescales if the requirement is subsequently advertised through Official Journal of the European Union (OJEU).

A PIN is also required if the estimate of the aggregated value of the contracts for a given coding class exceeds the published PIN thresholds:

Threshold	Supplies and Services	Works
£ Sterling	£ 625,050	£4,322,012
€ Euro	€ 750,000	€ 5,186,000

2.3 Through Year Reporting

Managers shall report, using a PIN where time permits, new or additional requirements likely to meet or exceed EU thresholds as they arise.

2.4 End of Year Reporting

- 2.4 Where a Manager has place a notice in the Official Journal of the European Union**, they shall provide the Procurement Manager by the 30 April each year with the following details for contracts placed through OJEU procedures -

- Common Procurement Vocabulary (CPV) code. (The CPV is a standardised single classification system for public procurement to identify the subject of a contract and is detailed on the OJEU notice);
- Provider (contractor) Nationality;
- Award Procedure (from the OJEU notice);
- Justifications if Negotiated procedure; and
- Value.

3. CONTRACTS REGISTER

- 3.1 Managers shall keep a record using the Contracts Register, for all tenders and quotes greater than **£15,000**; of:

- the reasons (if appropriate) for not advertising on the Council's 'Latest Opportunities' internet site;
- all those contractors that were requested to quote or tender;
- the reasons why those particular contractors were selected to quote or tender;
- if applicable, the reasons why less than three contractors were selected to quote or tender;

- contract renewal date (if appropriate);
- summary details of a single tender/quote (if appropriate), and
- file or other reference to the contract and location of the documents and contract.

4. METHODS OF ORDERING

- 4.1 All orders shall be placed through one of the following recognised methods:
- An order raised on the e-marketplace.
 - A procurement card order.
 - A manual purchase order.
 - A purchase order raised on the financial management system.
- 4.2 Where there is an exception requirement and the relevant **Corporate Director** or Manager considers that the work is of an emergency nature necessary to enable the service to continue and none of the ordering methods are suitable, the relevant **Corporate Director** or Manager shall record the details of the exceptional requirement and the action taken for future audit.

5. 'BEST VALUE' AND SOURCING POLICY

- 5.1 The Council seeks 'Best Value' in all procurement activity. 'Best Value' being:
- The opportunity to obtain leverage (better prices and) for volume.
 - Regulatory compliance.
 - Transparent and efficient procurement processes.
 - Appropriate social, environmental and equality outcomes.
 - Minimum procurement over.
- 5.2 Sourcing policy is determined by the needs of 'Best Value' and in order of preference is:
- Adopted catalogues or framework contracts. An adopted catalogue or framework is the preferred contract for the Council's business within a defined category (a type or group of goods or service). The Procurement Manager shall make available adopted catalogues or framework contracts on the e-marketplace or publish details of the contract or framework in Procurement Protocols & Guidelines. Managers shall ensure that orders for such categories are placed through the e-marketplace using appropriate 'adopted' catalogue or framework contract. The Procurement Manager shall keep under review the continued suitability of any such catalogues, contracts or framework agreements.
 - Collaborative procurements with other public bodies or authorities.
 - Council let corporate contracts.
- 5.3 Some categories are managed corporately by specialist areas. The Procurement Manager shall provide a list of specialist categories and Managers shall ensure all requirements for such categories are referred to the relevant specialist.
- 5.4 Tenders. Nothing in this Code shall require tenders to be sought: -
- for purchases made from a Purchasing Agent (ESPO, **Crown Commercial Service**) where:
 - there is a single supplier 'call-off contract' or catalogue created with fixed prices, or
 - the contract is created to our requirements;
 - for purchases through local authority, government body or agency, police, health or other similar public authority, where the procurement rules of that organisation have been approved by the Procurement Manager and the contract is created in co-operation, agreed joint requirements or partnership;
 - for purchases made at public auction;

- where the relevant **Corporate Director** or Manager -
 - considers that the work is of an emergency nature or is necessary to enable the service to continue; or
 - with the **Corporate Director (Services)** agreement, considers that it is in the Council’s best interest in negotiating a further contract for works, supplies or services of a similar nature with a contractor who is currently undertaking such work. The relevant **Corporate Director** or Manager shall report details of all work awarded under 5.4 d above to:
 - i. the **Monitoring Officer** who shall make a record in a register kept for that purpose; and
 - ii. the next meeting of Cabinet.

- 5.5 Any procurement estimated to exceed £50,000, which is not covered by the exceptions in paragraph 5.4 above, must be referred to the Procurement Manager before the procurement process is commenced. If a Manager does not wish to accept the Procurement Manager’s advice on any significant aspect the matter will be determined by the relevant **Corporate Director**. The discussion will cover:
- Scope and objectives of the procurement;
 - Budget and costing;
 - Tender methods;
 - Product and market information;
 - Timescales; and
 - Deliverables.
- 5.6 Where there is no adopted contract or framework, Managers shall, wherever practicable, seek to maximise contract values with other Managers to secure lower costs. The Council nevertheless wishes to balance the effort of going to the market with the effort and efficiency of the procurement process. Managers after determining the proposed contract’s total value shall then follow one of the procurement procedures detailed below. These procedures shall be used in all procurements or sales bar those exceptions at paragraph 5.4.

Estimated Total Value of Procurement	Requirement
Up to £5,000	At least 1 written estimate or offer (e-marketplace, email, web or paper) shall be sought and recorded.
£5,000 up to £15,000	At least 3 written estimates or offer (e-marketplace, email or headed paperwork) shall be sought and recorded.
£15,000 to £50,000	At least 3 formal quotations or offers shall be invited, unless the Manager has complied in full with paragraph 6.1e of this Code. The Manager will consider whether the nature of the procurement is such that a full competitive tendering would be likely to be beneficial to the Council by reducing cost (by more than the cost of tendering) or risk.
£50,000 to EU Procurement Threshold	Competitive tenders shall be obtained using one of the tendering options in this Code, and a formal written contract prepared in accordance with paragraph 11.2.
The EU Threshold and above	The appropriate EU procurement directive shall be complied with.

- 5.7 Total value is the cost of all elements of the procurement (e.g. installation, testing, training, maintenance, etc). The Manager shall ensure that a procurement is not split or otherwise disaggregated and may choose to competitively tender requirements less than £50,000.
- 5.8 Achieving ‘Best Value’ needs valid competition and valid competition is dependant on the existence of an ‘open’ market with the selected contractors having the interest, capability and capacity for the work or business being offered. Wherever possible a minimum of three competitive tenders or quotations shall be sought. In selecting contractors to provide a tender or

quotation Managers shall ensure that wherever possible -

- the selection process they are using is fair and equitable, and that no favouritism is shown to any one contractor (e.g. the requirement is not an extract of a contractor’s product specification).
- checks are made to ensure that contractors are interested in this type of business;
- repeat or ‘automatic’ invitations to the ‘same’ contractor or group of contractors are avoided, particularly where previously invited to bid and had failed to do so;
- ‘new’ contractors are sought and invited to tender or quote;
- the geographic area of the search for potential contractors is widened; and .
- ‘no-bids’ are checked for the reasons for a contractor’s failure to bid.

5.9 Supplier Meetings/Briefings. To avoid the risk of unfair competitive advantage, any such meeting should be structured as an open event; all questions and answers recorded and with a minimum of 2 officers present. If pre-competition a minimum of 3 suppliers shall be invited and during a competition, all participating contractors shall be invited.

5.10 A Manager shall not invite quotations or tenders from any contractor or sub-contractor who has participated in the preparation of documentation or were involved in other preparatory work for the contract, unless they **have, in writing, explained to the Monitoring Officer why this does not constitute an unfair competitive advantage or a conflict of interest and obtained agreement, in writing, that the contractor/sub-contractor may compete in the quote/tender process.**

6. TENDER AND FORMAL QUOTATION PROCEDURES

Tendering and Formal Quotation Options

6.1 Managers shall select one of the following procedures. If any alternative procedure is proposed then approval of the Cabinet is required before the proposed procedure is followed.

Option	Requirement
(a) Framework	All contractors on the framework (or lot if split into lots) shall be invited to submit a tender or quotation. No public notice is required and general Terms & Conditions are set in the original framework contract but additional Terms & Conditions specific to the requirement may be permitted. Vetting (paragraph 6.3) is not normally required as the contractor was vetted as part of the original framework competition.
(b) List of Approved Tenderers	Tenders shall be invited from at least three contractors selected from an approved list established in accordance with paragraph 7 of this Code. Vetting (paragraph 6.3) is not normally required as the contractor was vetted to join the list.
(c) Open Tenders	Public notice shall be given in one or more newspapers and/or in an appropriate trade journal. The notice shall state the nature and purpose of the contract, where further information and documentation can be obtained, and state the closing date for the process. Where the Manager is satisfied that Expressions of Interest received from a Contracts Register Notice represent contractors with genuine interest and capacity, then no further public notice is required. An Invitation to Tender (ITT) or Request to Quote (RFQ) is sent to all contractors expressing an interest. All ITTs and RFQs shall include an appropriate questionnaire to permit vetting of contractors in accordance with paragraph 6.3 of this Code.

(d) Restricted Tenders & Quotations	The requirement to advertise is the same as paragraph 6.1 (c) above. ITTs or RFQs are restricted to a shortlist of contractors selected after vetting in accordance with paragraph 6.3 of this Code.
(e) Single Tenders or Quotations	<p>A Manager after consulting the Monitoring Officer may obtain a single tender or quotation when:</p> <ol style="list-style-type: none"> a. Prices are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available. b. Work to be executed or goods, services or materials to be supplied consist of repairs to or the supply of parts of existing proprietary machinery, equipment, hardware or plant and the repairs or the supply of parts cannot be carried out practicably by alternative contractors. c. Specialist consultants, agents or professional advisers are required and <ul style="list-style-type: none"> • there is no satisfactory alternative; or • evidence indicates that there is likely to be no genuine competition; or • it is in the Council’s best interest to engage a particular consultant, agent or adviser. • Products are sold at a fixed price, and market conditions make genuine competition impossible d. The proposed contract shall form part of a serial programme. The contract terms shall be negotiated with a contractor, using as a basis for negotiation the rates and prices contained in an initial contract that was awarded following a competitive tendering process that complied with this Code. No more than two serial contracts shall be negotiated from an initial contract. e. No satisfactory alternative is available. If the single quote/tender option is used, the Manager shall: <ul style="list-style-type: none"> • seek approval of the Monitoring Officer who shall make a record in a register kept for that purpose; • retain records that demonstrate that the best price or value for money has been obtained from the negotiations with the contractor. f. A Manager can approve a single tender for ongoing maintenance of propriety systems provided: <ul style="list-style-type: none"> • there is evidence that it is a propriety system; • the initial contract award was compliant with this Code; • the renewal is for a period not greater than 4 years (this is the time interval the EU uses to calculate contract value for ongoing contracts); • the total ongoing value does not exceed the EU threshold; and • the direct award is recorded in the single tender register.

6.2 Invitations To Tenders and Requests for Quotations

Mangers shall ensure that all ITTs and RFQs include;

- (a) approved contract terms in accordance with paragraph 11.2 of this Code;
- (b) the following statement regarding Freedom of Information Act 2000 compliance:

“All information supplied to the Authority will be subject to the provisions of the Freedom of Information Act 2000 and as such may be disclosed by the Authority when required to do so under the Act. When such disclosure is necessary the Authority shall use reasonable

endeavours to consult with the provider of the information prior to disclosure.”

- (c) a clear statement that explains if the bid is to be evaluated on the basis of lowest price or the most economically advantageous basis (best value).

6.3 Selection Criteria

(a) The Manager shall undertake sufficient vetting to ensure that all contractors:

- comply with minimum standards of Insurance;
- have the necessary Health & Safety policy and performance and (where applicable) membership of the Contractor's Health and Safety Scheme or equivalent health and safety standard;
- are financial viable based on a risk based assessment;
- have an appropriate environmental policy;
- comply with equalities legislation and policy; and
- possess the experience and capacity required.

(b) The Procurement Manager shall provide an appropriate questionnaire for the purpose of vetting contractors.

(c) Managers wishing to have a Pre-Qualification Questionnaire returned in electronic format (Excel) must tell bidding suppliers to use the designated email address “procsupport@huntingdonshire.gov.uk” and inform the Procurement Manager of the closing date. The Procurement Manager shall forward the Pre-Qualification Questionnaires to the Manager after the closing date.

6.4 Evaluation Criteria

Except **where** the Cabinet decides otherwise, all formal quotations or tenders that are being sought shall:

(a) be based on a definite written specification, which shall include consideration (where relevant to the requirement) of:

- environmental performance including low energy and water consumption and the elimination of substances hazardous to health and the environment.
- **delivery of social benefit (for services only)**
- **inclusion of Small & Medium sized Enterprises**

(b) include award criteria,

(c) include specific weightings applied to individual award criteria, and

(d) if appropriate, include a requirement for a performance bond and liquidated damages

6.5 Non-Traditional Procurement

If a Manager believes that by following one of the procurement procedures detailed in paragraph 5.6 above, that the procurement process will not provide him with the most appropriate method of delivery, the most competitive prices, allow for continuous improvements in delivery, or stifle procurement innovation, then he may suggest alternative procurement strategies.

The Manager shall produce in accordance with guidance issued by the **Monitoring Officer** and prior to proceeding with the procurement, a written procurement strategy that shall be approved by the **Corporate Director (Services)** and the Cabinet.

7. LISTS OF APPROVED TENDERERS

- 7.1 The Council uses 2 types of list of approved contractors:
- (a) Third party vetted lists of contractors that are compiled and maintained by an external organisation. Only external organisations approved by the **Monitoring Officer**, after consultation with the **Corporate Director (Services)** and the other relevant Manager(s) shall be adopted. The Procurement Manager shall ensure that the external organisation and approved list of contractors is detailed in Procurement Protocols & Guidelines.
 - (b) Ad-hoc list of approved tenderers. If a Manager believes that the approved list of tenders does not allow him to obtain sufficient competition for 'Best Value', the Manager shall write to the Monitoring Officer and the Procurement Manager seeking approval to source additional contractors or create an ad-hoc list of approved tenderers.
- 7.2 Subject to approval as required in paragraph 7.1(b) the Manager shall:
- issue a public notice inviting applications for inclusion on a specific approved list for the supply of goods, services or materials.
 - vet (as detailed at paragraph 6.3) all contractors replying to the public notice or who have requested within the previous 12 months to be considered for work of a similar nature;
 - only include contractors satisfactorily completing the checks;
 - tell all potential suppliers how the approved list operates
 - ensure the ad-hoc list shall only be used for seeking tenders for the supply of goods, services or materials specifically detailed within the original public notice;
- 7.3 The **Monitoring Officer** in conjunction with the **Corporate Director (Services)** and relevant Managers shall review the continued suitability of any List of Approved Tenderers periodically and at least prior to the third anniversary of its initial or further adoption.

8. SUB-CONTRACTS AND NOMINATED SUPPLIERS

- 8.1 Quotations or tenders for sub-contracts to be performed or for goods, services or materials to be supplied by nominated sub-contractors shall be invited in accordance with this Code.
- 8.2 The relevant Manager is authorised to nominate to a main contractor a sub-contractor whose quotation or tender has been obtained in full accordance with this Code.

9. RECEIPT AND OPENING OF TENDERS AND QUOTATIONS

- 9.1 Contractors shall be notified that tenders or formal quotations are invited in accordance with this Code no tender or quotation will be considered unless -
- (a) the tender or quotation has been received via the e-marketplace 'sealed quote' facility; or
 - (b) contained in a plain envelope which shall be securely sealed and shall bear the word "Tender" or "Quotation", the Unique Reference Number (URN) from the Contracts Register; and the envelope shall not bear any distinguishing matter or mark intended to indicate the identity of the sender. Such envelope shall be addressed
 - impersonally to the Monitoring Officer if it contains a "Tender", or
 - the appropriate Manager if it contains a "Quotation"; or
 - (c) it has been sent electronically to a specific e-mail address, which the appropriate Manager shall obtain from the IMD Service Manager. The IMD Service Manager shall ensure that the e-mail address is secure.
- 9.2 All envelopes or e-mails received shall be kept securely and shall not be opened or accessed until the time appointed for their opening except at the request of the **Monitoring Officer** or officers specifically appointed by him.

- 9.3 All tenders or quotations invited in accordance with this Code shall be opened at one time only and by at least two officers -
- Tenders shall be opened by officers nominated by the **Monitoring Officer** and by the appropriate Head of Service/Service Manager. The Procurement Manager shall be notified of the time and place appointed for the opening.
 - Quotations shall be opened by the appropriate Manager and/or his nominee(s) and one other Officer. The Internal Audit Manager shall be notified of the time and place appointed for the opening.
- 9.4 All tenders or quotations upon opening shall be recorded in writing on either a tender or quotation opening record unless the Contracts Register is being completed contemporaneously. The format of the opening record shall have been previously agreed with the **Monitoring Officer** and **Corporate Director (Services)**. The Form of Tender or Quotation and any accompanying documentation shall be marked with the date of opening, and signed by all officers present at the opening. The tender or quotation opening record shall be signed by at least two officers present at the opening and record the method that has been selected to evaluate the bids received. If the Contracts Register has been completed, then all of the required fields will be completed as per the guidance issued by the Procurement Manager.
- 9.5 The original opening record shall be retained by the **Monitoring Officer** in respect of tenders, and the relevant Manager in respect of quotations. A copy of the opening record shall be provided to the Internal Audit Manager.
- 9.6 Any tenders or quotations received after the specified time **may in exceptional circumstances be accepted by Monitoring Officer** otherwise they shall be returned promptly to the contractor by the **Monitoring Officer** or his nominated officer in respect of tenders, or by the appropriate Manager or his nominated officer in respect of a quotation.
- 9.7 Late tenders shall be rejected once any other tender/quotation has been opened. The tender or quotation may be opened to ascertain the name of the contractor but no details of the tender or quotation shall be disclosed.

10. ACCEPTANCE OF TENDERS AND QUOTATIONS

- 10.1 The appropriate Manager shall evaluate all the tenders or quotations received in accordance with the award criteria set out in the bid documentation and shall accept, subject to the provisos set out in this paragraph, either -
- the lowest priced tender or quotation; or
 - the most economically advantageous tender or quotation, as evaluated against the award criteria.
- 10.2 Tenders or quotations exceeding the approved estimate may only be accepted once approval to further expenditure is obtained.
- 10.3 If the lowest priced, or most economically advantageous quotation exceeds £50,000 but -
- is within 15% of the original estimate, the appropriate Manager may accept the quotation without seeking further competition; or
 - is in excess of 15% of the original estimate then a competitive tender exercise in accordance with paragraph 6.1 above shall be carried out, unless the appropriate Manager has consulted and obtained the approval of the **Monitoring Officer**, the Procurement Manager and relevant Executive Councillor that the quotation can be accepted.

- 10.4 A tender or quotation shall not be accepted -
- (a) where payment is to be made by the Council and –
 - it is not the lowest priced tender or quotation, or
 - the most economically advantageous tender or quotation in accordance with the award criteria set out in the tender or quotation documentation; or
 - (b) if payment is to be received by the Council and the tender or quotation is not the highest price or value;
 - (c) unless –
 - the Cabinet have considered a written report from the appropriate Head of Service/Service Manager, or
 - in cases of urgency, the **Monitoring Officer** has consulted and obtained the approval of the relevant executive councillor. Tenders or quotations accepted in this way shall be reported by the appropriate Manager to the next meeting of the Cabinet.
- 10.5 Where post-tender negotiations have been undertaken in accordance with paragraph 10.6 below, the appropriate Manager shall only accept the lowest priced tender received. A tender other than the lowest shall not be accepted until the Cabinet have considered a written report from the appropriate Head of Service/Service Manager, and recommended acceptance of a tender other than the lowest.
- 10.6 Arithmetical Errors and Post-Tender Negotiations
- (a) Contractors can alter their tenders or quotations after the date specified for their receipt but before the acceptance of the tender or quotation, where examination of the tender or quotation documents reveals arithmetical errors or discrepancies which affect the tender or quotation figure. The contractor shall be given details of all such errors or discrepancies and afforded an opportunity of confirming, amending or withdrawing his offer.
 - (b) Post-tender negotiations shall not be used to degrade the original specification unless:
 - the capital or revenue budget is exceeded; or
 - other special circumstances exist;in which case the **Monitoring Officer** and Procurement Manager shall decide which of those contractors who originally submitted a tender or quotation shall be given the opportunity to submit a further bid based upon a degraded specification. This decision shall be recorded in writing.
 - (c) In evaluating tenders, the appropriate Manager may invite one or more contractors who have submitted a tender to submit a revised offer following post-tender negotiations.
 - (d) All post-tender negotiations shall:
 - only be undertaken where permitted by law and where the appropriate Manager and **Monitoring Officer** and **Corporate Director (Services)** consider additional financial or other benefits may be obtained which over the period of the contract shall exceed the cost of the post-tender negotiation process;
 - be conducted by a team of officers approved in writing by the **Monitoring Officer** and **Corporate Director (Services)**;
 - be conducted in accordance with guidance issued by the **Monitoring Officer**; and
 - not disclose commercially sensitive information supplied by other bidders for the contract.
 - (e) The appropriate Manager shall ensure that all post-tender negotiation meetings are properly minuted with all savings and benefits offered clearly costed. Following negotiations but before the letting of the contract, amendments to the original tender submitted shall be put in writing by the contractor(s) and shall be signed by him.

11. TERMS OF BUSINESS AND THE FORM OF CONTRACTS

- 11.1 All orders placed by the Council shall be on the Council's Terms and Conditions (T&Cs). Managers shall not use Contractor's documentation to order, acknowledge, instruct to proceed or make any other commitment where the documentation makes any reference to the Contractor's T&Cs. Where a contractor formally insists on trading on T&Cs other than the Council's T&Cs, the Procurement Manager shall be informed, except for -
- Any contract where the estimated total value is likely to exceed £50,000, paragraph 11.2 shall apply.
 - Any framework or contract formally adopted by the Council.
 - Purchasing Agency (e.g. ESPO, Crown Commercial Service) arranged contracts and orders.
 - Orders of a total value of less than **£15,000** where the goods or service are purchased on a 'retail' basis on terms available to the general public.
 - Orders for software where the licence is for 'standard' product but not where customisation, development or on-site service is required for the 'standard' product.
- 11.2 Every contract that exceeds £50,000 in value shall be in writing in a form approved by the **Monitoring Officer** who shall also determine the format of any contract for a lesser value. Managers shall ensure that advice of the **Monitoring Officer** is sought at a stage as early as practicable (normally before the issue of an Invitation to Tender).
- 11.3 In the case of any contract for the execution of works or for the supply of goods, services or materials, the Manager after consulting with the **Corporate Director (Services)** and the **Monitoring Officer** shall consider whether the Council should require security for its due performance and shall either certify that no such security is necessary or shall specify in the specification of tender the nature and amount of the security to be given. In the latter event, the Council shall require and take a bond or other sufficient security for the due performance of the contract.
- 11.4 Managers shall produce the final version of all contracts in 2 copies and present both to the Authorised Officer for signature. Once signed by the contractor, the signed contract, all original documents, including specifications, drawings, tender documents and correspondence relating to a contract exceeding a total value of £50,000 shall be forwarded by the **Monitoring Officer**. Where the total value of the contract is less than £50,000 the relevant Manager shall make arrangements for the retention of all the original documentation.
- 11.5 Managers shall maintain a record (in the form detailed in the Procurement Protocols & Guidance) for their area of each contract or agreement (both written and verbal agreements).
- 11.6 Managers shall include the specific T&Cs listed in the Procurement Protocols & Guidance in all contracts. Where a Manager considers a term or condition inappropriate they shall seek advice of the Monitoring Officer on the modification or deletion of the term or condition.

12. LETTERS OF INTENT

- 12.1 Letters of intent provide a contractor with the authority to proceed prior to the award of a contract. However, letters of intent have two main disadvantages:-
- (a) if the contract is not awarded the contractor is entitled to payment regardless as to whether the work was actually needed;
 - (b) the Council's negotiating position is weakened as the contractor may believe actual award of contract is a formality and therefore, the contractor may refuse to accept conditions that are seen as disadvantageous.
- 12.2 Managers shall ensure that:-
- (a) all letters of intent are in a form approved by **Monitoring Officer**; and
 - (b) all letters of intent are signed by an Authorised Officer with sufficient authority for either the value of the intended contract or the estimated value of any 'extension' period defined in the letter of intent.

13. POST-COMPETITION DEBRIEFS

- 13.1 For all contracts greater than **£15,000**, Managers shall maintain records of selection and evaluation scoring and where requested by participating suppliers, provide a suitable post-tender debrief **in writing**. For contracts greater than £50,000, **unsuccessful tenderers shall be advised in writing of the winning supplier, the value of the contract awarded and the strengths and weaknesses of their tender** and the advice of the Procurement Manager shall be sought on the format and scope of the debrief

14. LOCAL GOVERNMENT ACT – COMMUNITY RIGHT TO CHALLENGE

The Local Government act permits relevant bodies (charities, community bodies, town & parish councils and staff) to submit Expressions of Interest to provide Council services. The Procurement Manager shall maintain and publish a timetable for the submission of Expressions of Interest. All Expressions of Interest received from relevant bodies should be forwarded to the Information and Research Officer.

15. RETENTION OF DOCUMENTS

- 15.1 Managers shall ensure that every contract or quotation is assigned the Unique Reference Number (URN) from the Contract Register, which is to be used in all correspondence. Any Division or reference may be included in addition to the URN shall comprise abbreviation for the Division and year. Formal amendments to a contract or order should also be given unique numbers showing the order in Which the amendments were made.
- 15.2 Documentation retention periods are dictated by the Statute of Limitations and (where applicable) EU requirements. The following rules apply:-
- (a) retention for 12 years from the date of completion of the contract for contracts made under deed;
- (b) retention for 6 years from the date of completion of the contract:-
- Contract Documents
 - Hire/Rental Agreements
 - Successful Tenders
 - Summary of Tender Opening
 - Disposal Board papers
 - All selection and evaluation scoring and reports
 - Goods Received Notes
 - HM Customs and Excise Import documentation
 - Invitations to Tender/Quotation Requests
 - Maintenance/Software licence agreements
 - Specifications
 - Successful Quotations
 - Suppliers' Advice Notes;
- (c) retention for 3 years after the last entry:-
- Stock and Purchase Record Cards or Registers
- (d) retention for 2 years after the financial year to which the document relates:-
- Unsuccessful Quotations.
 - Unsuccessful Tenders.

16. FREEDOM OF INFORMATION ACT 2000 (FOIA)

Managers shall ensure that the handling of requests for procurement information complies with the detailed guidance published as Procurement Protocols & Procedures and the general FOIA guidance published by the Council's Freedom of Information Officer.

17. CONSULTANTS

- 17.1 It shall be a condition of the engagement of any consultant, agent or professional adviser who is to be responsible to the Council for the management or supervision of a contract on its behalf, that in relation to that contract he shall -
- comply with this Code as though he were an employee of the Council;
 - at any time during the carrying out of the contract produce to the appropriate Manager, on request, all the records maintained by him in relation to the contract; and
 - on completion of the contract transmit all records that he has produced or received that relate to the contract to the appropriate Manager.
 - **that the terms and conditions of their contract indemnifies the Council against any costs arising from the consultant being classified an 'employee' under Inland Revenue rules.**
- 17.2 The Manager responsible for appointing any consultant, agent or professional adviser under paragraph 17.1 shall provide them with a copy of this Code.

18. PROCUREMENT TRAINING

- 18.1 The Procurement Manger shall create, maintain and arrange the delivery of training for Officers undertaking procurement duties.
- 18.2 Managers shall ensure that all Officers routinely undertaking purchasing or procurement duties where the gross value of the procurement is **£5,000** or more shall have undertaken appropriate training.
- 18.3 LGSS HR and Payroll Services shall arrange to record the details of staff that have completed suitable procurement training.



HDC Document Centre
HPS-0967