

AGENDA

CABINET

TUESDAY, 23 FEBRUARY 2021

2.00 PM

VIA ZOOM

Committee Officer: Linda Albon
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Due to the COVID-19 outbreak and the restrictions by the Government on gatherings of people, this meeting will be conducted remotely using the Zoom video conferencing system. There will be no access to this meeting at the Council offices, but you can view the meeting on YouTube, apart from any items marked confidential.

- 1 To receive apologies for absence
- 2 Previous Minutes (Pages 3 - 6)

To confirm the minutes of 25 January 2021.
- 3 To receive members' declaration of any interests under the Local Code of Conduct or any interest under the Code of Conduct on Planning Matters in respect of any item to be discussed at the meeting
- 4 To report additional items for consideration which the Chairman deems urgent by virtue of the special circumstances to be now specified
- 5 Business Plan (Pages 7 - 24)

For Cabinet to consider and recommend to Council the approval of the Final Business Plan 2021-2022

- 6 Corporate Budget 2021/22 & MTFS (Pages 25 - 92)

For Cabinet to consider and approve the revised General Fund Budget and Capital Programme for 2020/21 and to consider and recommend to Council the General Fund Budget Estimates 2021/22 and the Medium Term Financial Strategy 2021/22 to 2025/26; the Council Tax levels for 2021/22; the Capital Programme 2021-2024; and the Treasury Management Strategy Statement, Capital Strategy and Annual Treasury Investment Strategy for 2021/22.

7 Freedom Leisure Update (Pages 93 - 102)

For Cabinet to consider a further request for financial assistance from Freedom Leisure in line with the Council's leisure contract.

8 Culture Strategy (Pages 103 - 128)

For Cabinet to consider and recommend the adoption of the Culture and Creativity Strategy to Full Council.

9 Project Update - Growing Fenland & CCC Capital Community Fund (Pages 129 - 168)

For Cabinet to note the content of the report and projects due to be submitted to the next CPCA Board Meeting on 24.03.21 as set out in appendix E

10 Draft 6 Month Cabinet Forward Plan (Pages 169 - 170)

For information purposes.

11 Items which the Chairman has under item 4 deemed urgent

Monday, 15 February 2021

Members: Councillor C Boden (Chairman), Councillor Mrs J French (Vice-Chairman), Councillor I Benney, Councillor S Clark, Councillor Miss S Hoy, Councillor Mrs D Laws, Councillor A Lynn, Councillor P Murphy, Councillor C Seaton and Councillor S Tierney

CABINET



MONDAY, 25 JANUARY 2021 - 4.00 PM

PRESENT: Councillor C Boden (Chairman), Councillor Mrs J French (Vice-Chairman), Councillor I Benney, Councillor S Clark, Councillor Miss S Hoy, Councillor Mrs D Laws, Councillor A Lynn, Councillor P Murphy, Councillor C Seaton and Councillor S Tierney

OFFICERS IN ATTENDANCE: Amy Brown (Chief Solicitor and Deputy Monitoring Officer), Peter Catchpole (Corporate Director and Chief Finance Officer), Paul Medd (Chief Executive) and Carol Pilson (Corporate Director and Monitoring Officer)

Councillor Boden welcomed Councillor Andrew Lynn to his first meeting as a Cabinet member and paid tribute to the tremendous work undertaken over the last two years by Councillor Susan Wallwork, who had now stepped down due to personal commitments.

CAB49/20 PREVIOUS MINUTES

The minutes of the meeting held 12 January 2021 were agreed.

CAB50/20 PROJECT UPDATE - GROWING FENLAND & CCC CAPITAL COMMUNITY FUND

Members considered the Project Update – Growing Fenland & CCC Capital Community Fund report.

Members made comments, asked questions and received responses as follows:

- Councillor Hoy expressed her disappointment to receive an email stating that the Wisbech Water Park was not going to be discussed at the January meeting of the CPCA as advised in the report. This was due to an administrative error although she was unclear as to what that was; the park had been discussed at a previous meeting where a few points had been raised for clarity which had since been addressed. She therefore asked that the Water Park be put forward to the meeting in March as a matter of urgency. Councillor Boden responded that he understands the administrative error took place within the CPCA and he has taken this up with the Mayor to understand what has happened. He confirmed that the next meeting in which the application can be considered will be March and it should only be a formality to be approved.
- Councillor Tierney said that seeing as members of the public watch these committee meetings, it is good to highlight so many projects going forward so they can see the breadth and scope of what is happening.

Cabinet AGREED to note the content of the report and projects due to be submitted to the next CPCA Board Meeting on 27.01.21 as set out in appendix E.

CCC Capital Communities Fund:

- **No further action required**

Growing Fenland:

- Capital and/or revenue costs as set out below were approved at the FDC Cabinet meeting held on 14 December 2020. However, Cabinet AGREED to note confirmations of CPCA funding requested in the table below.
- The Chatteris Skills Development submission will now be deferred to the March CPCA Board Meeting as additional information has been requested. Cabinet notes that the Wisbech Water Park Project will now also be considered by the CPCA Board at their meeting in March.
- In addition, a submission has been made to the CPCA for the £900,000 match funding element of the March Future High Street Bid as detailed in point 5.13 and 5.16 in this report and shown in the 2nd table below. Cabinet considered and AGREED to approve this additional submission to the CPCA.

TOWN	PROJECT	CPCA FUNDING REQUESTED	CAPITAL COST IMPLICATIONS FOR FDC	REVENUE COST IMPLICATIONS FOR FDC (PER YEAR)	PROJECT TO BE DELIVERED BY
Chatteris (To be deferred to March CPCA Board Meeting)	Chatteris Skills Development	£36,178	£0	£0	Stainless Metalcraft & Cambridge-shire Skills
Whittlesey	Business Capital Grants Scheme	£124,331	£0	£0	FDC
Wisbech	Wisbech Water Park	£147,500	Circa £125,000 (please note point 5.14 in main report)	£0 (please note point 5.14 in main report)	FDC & Wisbech Town Council
Wisbech	Football Counters	Confirmed as £19,500 (previously estimated at circa £50,000)	£0	£0	Wisbech Town Council
Wisbech	Replacement Shopwatch Radios	Confirmed as £33,800 (previously estimated at circa £60,000)	£0	£0	Wisbech Town Council
Wisbech	Business Capital Grants Scheme	Confirmed as £200,000	£0	£0	FDC
Joint project for all 4 towns	Civil Parking Enforcement	Confirmed as £400,000	To be confirmed	To be confirmed	FDC

Additional bid submission not detailed in Cabinet report tabled on 14 December 2020:

TOWN	PROJECT	CPCA FUNDING REQUESTED	CAPITAL COST IMPLICATIONS FOR FDC	REVENUE COST IMPLICATIONS FOR FDC (PER YEAR)	PROJECT TO BE DELIVERED BY
March	Match Funding for March future High Street Fund Project	£900,000	£0	£0	FDC

CAB51/20 COUNCIL TAX SUPPORT SCHEME 2021/22

Members considered the Council Tax Support – 2021-22 Scheme report presented by Councillor Boden.

Members made comments, asked questions and received responses as follows:

- Councillor Hoy said this was a hard decision to make. There had been a large public response; people are struggling, and we must bear that in mind. However, we need to balance that with the overall picture. Council tax increases affect everybody and there is no easy answer, but she is minded to support an increase to 20%.
- Councillor Boden thanked Councillor Hoy and said there is a very wide range of discount within Cambridgeshire and Peterborough. A change from 14% to 20% will certainly have an effect but Councillor Hoy is also correct that it will reflect on what everyone within Fenland will pay.
- Councillor Seaton agreed with Councillor Hoy saying it is a difficult decision to have to make but also bearing in mind Councillor Boden's comments he would also support an increase to 20%.

It was proposed by Councillor Hoy, seconded by Councillor Seaton and agreed that the contribution rate be increased from 14% to 20%.

- Councillor Hoy added that within the consultation many people had commented they found the issue hard to understand and therefore asked if we could simplify the information that goes out with council tax bills. There are so many different authorities charging different amounts and it is quite a convoluted process. Councillor Boden said he had noted the public response but he thought officers had made the consultation process as simple as possible and had got the balance right between having the necessary information, which is unfortunately quite complicated, and keeping it as short as they reasonably could. He added however that if any member of Cabinet could see ways in which the consultation process could be made easier then please let him or Peter Catchpole know.

CABINET considered the report and consultation responses and AGREED to recommend to Council their preferred option for the Council Tax Support Scheme for 2021-22.

CAB52/20 FEES AND CHARGES

Members considered the Fees and Charges Report presented by Councillor Boden.


Cabinet considered the recommendation of the Overview and Scrutiny Panel and AGREED to approve the Fees and Charges for 2021/22 as detailed at Appendix A of the attached report.

CAB53/20 DRAFT 6 MONTH CABINET FORWARD PLAN

Councillor Boden presented the Cabinet Forward Plan for information.

4.18 pm

Chairman

Agenda Item No:	5	
Committee:	CABINET	
Date:	23 February 2021	
Report Title:	FINAL BUSINESS PLAN 2021-22	

1 Purpose / Summary

- For Cabinet to consider and recommend to Council the approval of the Final Business Plan 2021-2022

2 Key issues

- Our Draft Business Plan 2021-22 identifies the key challenges and opportunities for Fenland. Its structure has been updated this year. As well as outlining our key Corporate Priorities (Communities, Environment, Economy and Quality Organisation), it introduces an additional cross cutting 'Council for the Future' section. This outlines the scope and progress of transformation projects chosen by our Cabinet members.
- The impact of Coronavirus has and continues to affect our residents, partners, local businesses and our workforce. Our Covid-19 Recovery Plan and 'Council for the Future' projects will be crucial in supporting the organisation to adapt and reshape to be able to effectively respond to future needs, aims and challenges.
- Despite the challenges posed by Coronavirus and over a decade of continued public sector austerity, the Council remains committed to delivering high-quality services. We continue to lobby for investment to tackle important issues relating to skills, transport, affordable housing and regeneration, with some notable examples referenced within the Leader and Chief Executive's introduction.
- The Draft Business Plan was presented to the Overview and Scrutiny Panel on 11 January 2021. The Panel recommended a small update to the wording of the Covid-19 support hub to highlight the help of volunteers and community groups in supporting around 2,000 vulnerable households (Page 2). This change has been reflected in the final document. It was also subject to public consultation.

3. Recommendations

- For Cabinet to consider and recommend to Council the approval of the Final Business Plan 2021-22.

4. Public Consultation

- We ran an online public consultation about our Draft Business Plan and Budget 2021-22 between 5 January and 2 February 2021. It was publicised on the front page of our website, through press releases and via social media posts.
- 15 people responded to our survey. 100% said that our Draft Business Plan and Budget clearly explained the services we plan to provide and how we will use our resources over the next 12 months. A small number of comments were received relating to infrastructure and economic development.

6. Risks

Risks associated with delivering the Business Plan are contained within the Council's Corporate Risk Register, Service and Project Risk Registers. The Corporate Risk Register is reviewed by the Audit and Risk Management Committee on a regular basis.

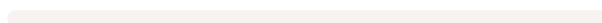
7. Community Impact

The Business Plan's main aim is to improve the quality of life for residents in Fenland.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Councillor Chris Boden, Leader of the Council Cabinet Members
Report Originators & Contact Officers	Paul Medd, Chief Executive Peter Catchpole, Corporate Director Carol Pilson, Corporate Director David Wright, Head of Policy & Communications
Background Paper(s)	Budget and Medium Term Financial Strategy Draft Business Plan 2021-22; Cabinet - 14 December 2020

BUSINESS PLAN

2021/2022



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Introduction by the Leader and Chief Executive

Welcome to Fenland District Council's Business Plan for 2021/22.

As we write this introduction, we are living in unprecedented times. Since March 2020, Coronavirus has significantly impacted the world as we know it. Residents and businesses have needed, and continue to need, additional support to make sense of the ever-changing landscape and regulations. We've provided this to the best of our ability, working closely with partners and community groups to signpost residents to the most appropriate form of help.

Although it has proved challenging at times, as an organisation we have adapted well to the restrictions imposed by Coronavirus and have maintained 'business as usual' with minimal impact on performance. With little or no notice, we have created new services to respond to emerging needs. Examples include our multi-agency Covid-19 telephone support hub, which with the help of volunteers and community groups has supported around 2,000 vulnerable households, and the creation of a Discretionary Grants Scheme which has paid nearly £20million to local businesses. However, this has come at a significant and unexpected additional financial cost of £1.3million during 2020/21. This, alongside known budget deficits, means that we must save £4million over the next four years. Whilst financial austerity is not a new concept to us, having saved over £10million since 2010, this will require us to look at things a little differently.

Our Business Plan still sets out the core services and projects we will deliver across Fenland over the next year. However, we have also formally introduced the substantial 'Council for the Future' projects. These aim to tackle particularly important topical issues, transform the way we work and sustainably position ourselves for the future. This forms a separate element of our Business Plan and, like our 'Quality Organisation' priority, will underpin everything that we do.

Despite an ever-changing landscape, we remain an ambitious and forward-thinking organisation. We continue to lobby for investment to help tackle key issues – particularly relating to skills, transport, affordable housing and regeneration. Importantly, the challenges over the past year haven't prevented us from receiving additional funding for a variety of projects, including:

- £943,000 from Cambridgeshire County Council's Communities Capital Fund for eight community facility improvements across March, Wisbech, Gorefield, Christchurch and Friday Bridge.
- A £997,000 grant from the Cambridgeshire and Peterborough Combined Authority towards the construction of a light industrial 'move on' space at South Fens Enterprise Park in Chatteris.
- £150,000 to support the new public health role in managing workplace Coronavirus outbreaks and providing local contract tracing.
- £90,000 from the European Regional Development Fund towards the Wisbech High Street Opening Project.

The adoption of our Commercial and Investment Strategy, and subsequently our trading company 'Fenland Future Ltd', is also another positive step towards delivering growth aspirations and future-proofing the organisation.

We hope that this introduction has provided a valuable context into the current situation and a high-level insight into our strategy for the future. We remain committed to working with all our towns, villages and rural communities to make Fenland an even better place to live and work.



Paul Medd
Chief Executive



Chris Boden
Leader of the Council

About Fenland

Fenland has strong community spirit and pride in its heritage. It is estimated that 101,850 people (ONS: 2019) currently live in the Fenland District, which covers 211 square miles within North Cambridgeshire. 75% of residents live within our four market towns of Chatteris, March, Whittlesey and Wisbech. Our beautiful rural landscape is home to 29 villages and attracts visitors from nationwide.

Fenland has the lowest house prices in Cambridgeshire, with the average house priced at £182,549 (UK HPI: 2020), along with plentiful availability of commercial land. As a result, our population is growing quickly. By 2036, it is predicted that the population will have increased by 9% to 110,700 (ONS: 2019). As outlined within this plan, we have plans in place to maximise the positive opportunities that growth could bring.

Our population is also getting older. 29% of our population are aged 60 or over; above average compared to Cambridgeshire and the UK (ONS: 2019). Alongside partners, we are working to enable residents to access the support they need to live happily, healthily and independently.

We also face some challenges around deprivation, particularly around education and health. We are the 80th (out of 326) most deprived area in the country, with some wards within the top 10% most deprived (IMD: 2019). Nevertheless, we continue to work closely with other organisations to positively overcome these challenges.

Coronavirus and Fenland District Council

The impact of Coronavirus has been significant for residents, businesses and partner organisations. Whilst aiming to deliver business as usual where possible, we are continuing to respond quickly to the ever-emerging challenges and to communicate effectively with our communities, businesses and workforce. Some high-level examples of help that we've provided since April 2020 include:

- Approximately 2,000 vulnerable households supported through our telephone Covid-19 Community Hub
- £19.9 million paid to 1,883 businesses as part of our Discretionary Grant Scheme
- Enabling people to apply online for Government's Self-Isolation payment
- Provided emergency accommodation to 57 vulnerable residents who were rough sleeping or at risk of rough sleeping

This has come at a significant cost to the Council, estimated to be over £1.3million by March 2021.

Coronavirus has also significantly impacted our workforce. Over 60% are now enabled to work remotely, with many redeployed or retrained to meet essential or emerging needs. This has prompted us to begin reviewing our accommodation needs and the most appropriate type of working practices.

We've responded to, and delivered, massive changes in legislation within days. We've quickly created brand new services to respond to residents' needs, as well as creatively providing existing services via digital or alternative channels. In some cases, we have moved to new operating models as our role has changed; moving from the service deliverer or commissioner role to offering referrals to third-party services. Supported by our Covid-19 recovery plan, we'll continue to evolve to meet the ever-changing needs and emerging priorities over the coming months.

Business Plan structure

Our Business Plan sets out the priorities we aim to deliver over the next 12 months. These priorities have been developed to address the most important needs of our communities.

Our priorities are split into three headings: Communities, Environment and Economy. These priorities primarily focus on the statutory and wide variety of core services that we provide day-to-day. In a typical year we empty 3 million bins, clean 210 square miles of town centres and open spaces, answer 78,000 telephone enquiries, determine 1,300 planning applications, enable 75,400 people to vote in elections – and more!

The fourth priority, Quality Organisation, sits alongside everything we do. It aims to ensure that the Council runs effectively, transparently and sustainably. We invest in and support our workforce to ensure they have the skills and resources they need to work to the best of their ability. Our unique ‘one-team’ culture enables officers, elected members and partners to work effectively together without the constraints of traditional department silos. This approach results in excellent staff satisfaction, with a record 95% of staff saying they were proud to work for us in our latest Staff Survey (2020).

Each priority is underpinned by a series of performance indicators, which is reported to all Members at our Council meetings. These public reports are summarised to provide end of year performance updates in our Annual Report, which is available to download on our website. This explains what the Council has been doing over the previous financial year to achieve its objectives.

This year, we've also added a fifth cross cutting priority: Council for the Future. This priority is formed from a selection of transformative projects which aim to address the future needs of residents and our organisation as a whole.

Summary of our Corporate Priorities structure

Council for the Future	Quality Organisation	Communities	<ul style="list-style-type: none"> • Support vulnerable members of our community • Promote health and wellbeing for all • Work with partners to promote Fenland through Culture and Heritage
		Environment	<ul style="list-style-type: none"> • Deliver a high performing refuse, recycling and street cleansing service • Work with partners and the community on projects that improve the environment and our street scene • Work with partners to keep people safe in their neighbourhoods by reducing crime and anti-social behaviour and promoting social cohesion
		Economy	<ul style="list-style-type: none"> • Attract new businesses, jobs and opportunities whilst supporting our existing businesses in Fenland • Promote and enable housing growth, economic growth and regeneration across Fenland • Promote and lobby for infrastructure improvements across the district

Council for the Future

Our Cabinet members have selected a number of projects to contribute towards our 'Council for the Future' agenda. These projects have a variety of aims; from tackling areas of particular need within the district, to transforming services and the wider organisation sustainably to be fit for the future. Although these projects are influenced by external factors, most notably Coronavirus and national service disruption, the aim is to have a programme of projects completed by the end of the current Council leadership term.



Building a Commercial Council



Fighting Holiday Hunger



A Modern CCTV Service



Transforming Empty Homes



Safer Homes for Tenants



Clamping down on poor parking



Planning for the Future



Protecting our Environment



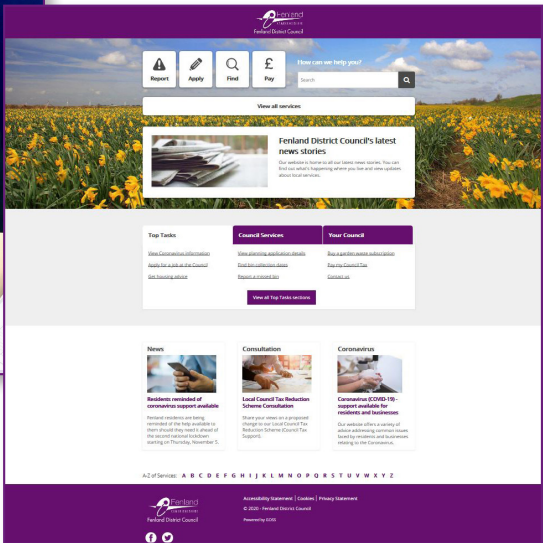
Competitive Trade Waste Service



Better railways for Fenland



My Fenland



Better online access

Council for the Future

Project(s)	Cabinet Lead	Summary	Progress to date
Building a Commercial Council	Cllr Chris Boden Cllr Ian Benney	To maximise efficiency and ensure organisational sustainability, we must look for opportunities to maximise our assets and diversify beyond traditional Council functions. Although this is not a new concept, adopting a Commercial Investment Strategy will enable us to pursue appropriate commercialisation and property investment opportunities. This will also support wider growth, housing and regeneration objectives.	We adopted our Commercial Investment Strategy in 2018, followed by our LatCo (Local Authority Trading Company) Fenland Future Limited in April 2020. We have begun the process of disposing of unwanted assets, with income generated contributing towards investment projects.
Fighting Holiday Hunger	Cllr Sam Clark	To control the holiday hunger of school children who would usually receive free school meals during term time. In 2019, Fenland District Council ran a 'Fit and Fed' Physical Activity and Nutrition project to support parents and children during holidays with sessions combining physical activity, nutrition education, healthy cooking and a meal whilst bringing communities together. Supported by funding from the Department of Education, the aim is to extend the project's scope across a wider area (Fenland, Peterborough and South Holland).	231 participants benefitted from Fit and Fed sessions in 2020. Although some half term sessions had to be cancelled due to Coronavirus, we offered a 'takeaway' model during the summer holidays. We were unsuccessful in a funding bid to the Department of Education, which sought to deliver four sessions a week across a wider area.
A Modern CCTV service	Cllr Susan Wallwork	Our CCTV service is important to the community. However, it is a non-statutory service and requires changes to ensure it can continue to be sustainably delivered in the future. The focus of this project is to make the service more commercial to increase income whilst reducing the cost of service delivery, with the aim of it being cost-neutral at the end of the Council term.	We have been operating a shared CCTV service in partnership with Peterborough City Council since January 2020, which is estimated to save £55,000 per annum. The service is performing well and has maintained full functionality during the Coronavirus pandemic.
Transforming Empty Homes	Cllr Sam Hoy	Empty homes are a wasted resource and, if left in poor condition, can be a blight on the local community. As an initial one-year trial, resource is being dedicated to fully understand the numbers in Fenland and bring them back into use. It is anticipated this will generate a financial benefit outweighing the cost of the post and provide much needed local accommodation.	We have recruited an officer to work exclusively on bringing empty homes back into use. From November 2019 to November 2020, 91 properties that have been empty for 6 months or more have been brought back into use as a direct result of our intervention. Owing to the success of the project, we have extended the officer's post for another year.

Project(s)		Summary	Progress to date
Safer homes for tenants	Cllr Sam Hoy	Whilst many landlords provide good quality housing, some do not, leaving tenants to live in unacceptable conditions. Two-year Government 'Controlling Migration' funding supported us to increase our housing enforcement approach with some success, resulting in 2,121 property inspections and 905 interventions. Despite additional prevention and intervention work, and the introduction of HMO (Houses in Multiple Occupation) licensing, a tougher approach is now needed to tackle non-compliance.	We've adopted a new Housing Enforcement policy. This will allow us to be tougher on non-compliant landlords and recover costs resulting from necessary action. The income generated must be reinvested in improving the management and condition of the district's housing stock and has enabled us to extend our two Housing Enforcement officer posts. Between April and October 2020, the team have undertaken 151 investigations.
Clamping down on poor parking	Cllr Jan French	There are many instances of poor parking in Fenland, specifically when people park where they shouldn't in town centres and breach regulations in privately owned car parks. The parking system is very complex. The Police regulate on-street parking but are often diverted to more pressing matters. Introducing Civil Parking Enforcement (CPE) could enable the County Council or ourselves to take over enforcement and issue Penalty Charge notices for parking contraventions.	In October 2020, Cabinet agreed for a specialist consultant to be commissioned to review the current situation and many implications of achieving CPE powers. They also agreed for a joint capital funding request to be put forward to the Cambridgeshire and Peterborough Combined Authority as part of the wider 'Growing Fenland' project.
Planning for the Future	Cllr Dee Laws	By law, each local authority must have a 'Local Plan' which sets out growth aspirations and the development permitted across its towns and villages. Our current Local Plan was adopted in 2014 and reviewed in 2019, where it was decided that work should commence to develop a new one. This is substantial piece of work, requiring significant public consultation and policy development.	In March 2019, work commenced on a new Local plan for Fenland. An Issues and Options report was consulted on in October 2019, which also included a call for sites exercise. The outcomes of the consultation were published in February 2020. A second call for sites exercise was carried out in summer 2020. Work has progressed on preparing a draft version of the Local Plan and supporting evidence base.
Protecting our Environment	Cllr Peter Murphy	Fly-tipping, littering and dog fouling are just a few examples of behaviour that spoils green spaces and public areas. By reviewing our wider environmental enforcement approach and the way we work with communities, we plan to adopt a new approach to proactively manage these issues.	We launched a new dog control PSPO in October 2020. Our Street Scene team continue to investigate environmental issues. We are in the process of considering the suitability of various environmental enforcement approaches.
Competitive Trade Waste Service	Cllr Peter Murphy	We deliver a competitively priced Trade Waste collection service. By increasing the income we generate through improving the range of recycling services for our network of 500 small to medium enterprises, we would reduce pressure on our budgets and the need for Council Tax rises. This work will be supported by the new developing National Waste and Resources strategy.	This year we have adapted services to support our commercial waste customers and plans are in place to offer to further support during Covid with an improved range of services.

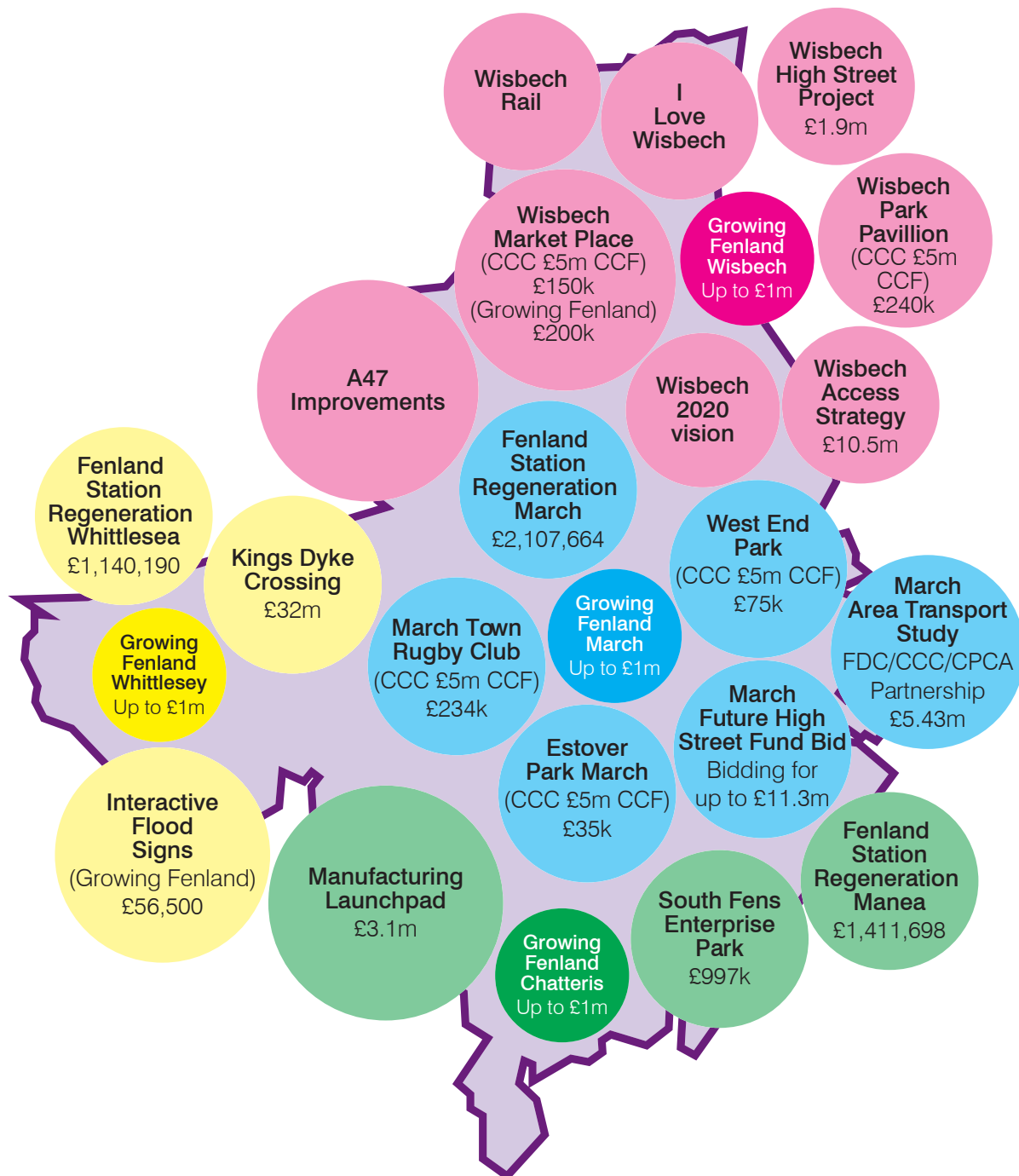
Project(s)		Summary	Progress to date
Better railways for Fenland	Cllr Chris Seaton	Although not a typical district council function, we strongly lobby for railway improvements in Fenland to support economic growth and address accessibility issues. The Fenland Rail Development Strategy project (Phase 2) aims to deliver large-scale improvements to station facilities and wider network connectivity through funding by external partners.	Railway Station Masterplans (for March, Manea and Whittlesea) are in the process of being delivered. This has generated around £15million in external investment into Fenland and has resulted in station improvements including new waiting shelters, lengthened platform and an improved car park.
Better online access	Cllr Steve Tierney	Our website is well used by our residents, receiving over 680,000 hits per annum and 10,300 form submissions (excluding Garden Waste subscriptions). It was last significantly updated in 2012 and requires some work to improve the customer journey and support residents to access services digitally through better integrated online forms. A similar piece of work is needed for the Council's intranet staff site. We also manage a number of external sub-sites which need to be brought back into house to improve consistency and realise efficiencies of scale.	We launched Fenland District Council's new website in August 2020. Its design, content and structure has significantly improved and is receiving positive user feedback. In November 2020, we launched a fully integrated 'Missed Bin' reporting form, with information passed seamlessly to our back-office bin management system without the need for human intervention.
My Fenland	Cllr Steve Tierney	The My Fenland project focuses on modernising the way we deliver all aspects of our services. By reviewing our offer and service delivery, we can look to drive efficiencies through appropriate re-engineering of our processes and organisational structure. Throughout this process, we are putting the customer journey first and will support residents who may find accessing digital services more challenging. As part of its first phase, the project has focused on transforming operational customer facing services through streamlining processes and maximising the use of technology.	As well as making website improvements (see previous project), we have implemented PayPoint. This enables residents to pay their Council bills in cash at Post Office branches and participating shops and garages. Early usage figures are very encouraging, with over 1,450 payments since its launch in July. We have also developed a 'My Fenland' delivery team, encompassing staff previously within our Customer Services, Environmental Support, Economic Growth and Asset Management teams. The My Fenland team are safely co-located in one location, improving intra-team communication and resilience. Process mapping of priority service tasks is underway to understand resourcing needs and areas for improvement. Many of these tasks have been streamlined and are now managed by the My Fenland team.

Place Shaping in Fenland

What is Place Shaping?

Place shaping simply means looking at our area as a whole; listening carefully to everyone's views and then working together to deliver the most important services that make people's lives safer and better.

We're working hard to attract the crucial external funding needed to deliver local service improvements and regeneration projects. The diagram below shows some of the projects in progress across the district:



Although many of these funding schemes are focused on our four market towns, our local villages will also benefit from the schemes. Improvements to our rural communities are equally as important and are included in our place shaping work.

Our Priorities:

Communities

Support vulnerable members of our community

- Enable residents to claim the Housing Benefit and Council Tax Support they are entitled to through our shared service (Anglia Revenues Partnership; ARP)
- Support residents to manage the effects of welfare reform changes and Universal Credit
- Use our housing powers to prevent homelessness, reduce rough sleeping, meet housing needs, improve housing conditions and keep homes safe and accessible
- Help residents to build capacity and resilience so that they can support themselves and their community
- Encourage a range of partners to support the delivery of the Golden Age programme to support older people
- Work with partners and the community to deliver the Wisbech 2020 Action Plan

Promote health and wellbeing for all

- Support our local community by delivering our Leisure Strategy in partnership with Freedom Leisure
- Work collaboratively with partners to deliver our Health and Wellbeing Strategy in order to tackle local health priorities and help people to be healthier
- Create healthier communities through activities developed by Active Fenland and community partners

Work with partners to promote Fenland through Culture and Heritage

- Work with local stakeholders to develop a Creativity and Culture Statement for Fenland
- Support voluntary and community groups to hold public events safely

Performance Indicators

- Days taken to process new claims to changes for Council Tax Support
- Days taken to process new claims and changes for Housing Benefit
- Total number of private rented homes where positive action has been taken to address safety issues
- The proportion of households presenting to the Council as homeless whose housing circumstances were resolved through housing options work
- Number of empty properties brought back into use
- Satisfaction at Golden Age events
- Number of Active Fenland sessions delivered per year
- Customer feedback across Freedom Leisure facilities in Fenland

Our Priorities:

Environment

Deliver a high performing refuse, recycling and street cleansing service

- Work with partners, the community and volunteers to divert at least 50% of Cambridgeshire's household waste from landfill
- Maximise the value of materials collected for recycling, including through Getting It Sorted Recycling Champions
- Deliver our effective, self-funding Garden Waste collection service
- Deliver clean streets and public spaces as set out in the national code of practice
- Work with key stakeholders to deliver an effective waste partnership and update the Cambridgeshire and Peterborough Waste Strategy

Work with partners and the community on projects to improve the environment and streetscene

- Use education, guidance and Council powers to fairly enforce environmental standards and tackle issues such as fly tipping, illegal parking, dog fouling, littering and antisocial behaviour
- Ensure well maintained open spaces by working with our grounds maintenance contractor and through supporting community groups such as Street Pride, In Bloom, Green Dog Walkers and Friends of Groups
- Work with Town Councils and the community to provide local markets, market town events and Four Seasons events

Work with partners to keep people safe in their neighbourhoods by reducing crime and antisocial behaviour and promoting social cohesion

- Deliver projects through the Community Safety Partnership to reduce crime, hate crime and anti-social behaviour
- Support the Fenland Diverse Communities Forum to deliver the Fenland-wide Community Cohesion Action Plan

Performance Indicators

- Rapid or Village response requests actioned the same or next day
- % of inspected streets meeting our cleansing standards
- % of household waste recycled through the blue bin service
- Customer satisfaction with our Refuse and Recycling services
- Customer satisfaction with our Garden Waste service
- Number of Street Pride, Green Dog Walkers and Friends of Community Environmental Events supported
- % of those asked satisfied with events

Our Priorities:

Economy

Attract new businesses, jobs and opportunities whilst supporting our existing businesses

- Work with external stakeholders , local businesses and the Combined Authority to attract inward investment and establish new business opportunities
- Provide responsive business support to encourage business growth, job diversity, skills development and increased grant applications
- Promote and develop our Business Premises at South Fens, The Boathouse and Light Industrial Estates to encourage investment, business development, job creation and skills diversification

Promote and enable housing growth, economic growth and regeneration

- Enable appropriate growth, development and infrastructure through delivering a proactive and effective Planning service
- Drive forward the development and delivery of new homes and commercial space by using our surplus property and land assets to deliver sustainable economic and residential growth
- Identify and bid for external funding that aligns with and supports our housing, economic and growth objectives

Promote and lobby for infrastructure improvements

- Promote sustainable road, rail and concessionary transport initiatives to improve access to employment and local services
- Engage with the Combined Authority and Cambridgeshire County Council on the feasibility and delivery of major road and rail infrastructure projects
- Work with the Combined Authority to influence how housing and infrastructure funding is used to stimulate housing development and economic growth in the district

Performance Indicators

- % of major planning applications determined in 13 weeks
- % of minor applications determined in 8 weeks
- % of other applications determined in 8 weeks
- % occupancy of Business Premises estates
- % of customers satisfied with our Business Premises estates
- % occupancy of our Wisbech Yacht Harbour
- Local businesses supported and treated fairly

Our Priorities:

Quality Organisation

Governance, Financial Control and Risk Management

- Maintain robust and effective financial standards, internal controls and organisational management
- Comply with data protection and General Data Protection Regulation requirements

Transformation and Efficiency

- Sustainably deliver required savings whilst pursuing transformation and commercialisation opportunities to ensure the organisation is fit for the future
- Engage with the Combined Authority's Public Service Reform agenda

Performance Management

- Set relevant and robust performance targets to ensure the effective delivery of Business Plan priorities
- Report regularly on service performance to the Corporate Management Team, Councillors and the public

Consultation and Engagement

- Appropriately consult with residents about our service and proposals as outlined in our Consultation Strategy

Excellent Customer Service

- Maintain our Customer Service Excellence accreditation to ensure we continue to deliver the most effective service to our communities
- Help residents to self-serve and access our services digitally to allow us to provide greater support for vulnerable customers and complex queries

Equalities

- Meet our Public Sector Equality duty by delivering the requirements of the 2010 Equality Act and 1998 Human Rights Act through our core service delivery and publication of a statutory Annual Equality Report

Asset Management and Commercialisation

- Ensure our asset base is sustainable, suitable and fully utilised to maximise income opportunities and financial efficiencies
- Deliver our adopted Capital Programme in line with our Corporate Asset Management Plan to maintain the integrity and safety of our assets
- Work jointly with public, private and third sector partners to improve access to our services, including from co-located facilities
- Begin implementation of our Commercial Investment Strategy to make informed decisions about the purchase and management of property assets through Fenland Futures Limited

Workforce Development

- Equip our workforce with the right skills to effectively deliver our priorities
- Support and empower our staff to make effective decisions within a pleasant working environment

Enforcement

- Use a fair and proportionate approach to improve living, working and environmental standards as set out in our Enforcement Policies

Health and Safety

- Maintain effective Health and Safety systems to comply with relevant legislation and local requirements
- Deliver all aspects of the Council's Health and Safety action plan to ensure the safety and wellbeing of our workforce, partners and wider community

Performance indicators

- % of customer queries resolved at first point of contact
- Customers satisfied by our service
- Contact Centre calls answered within 20 seconds
- Contact Centre calls handled
- Council Tax collected
- Council Tax net collection fund receipts
- NNDR collected
- NNDR net collection fund receipts
- Number of visits to our website

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Agenda Item No:	6	
Committee:	Cabinet	
Date:	23 February 2021	
Report Title:	Revised General Fund Budget and Capital Programme 2020/21; General Fund Budget Estimates 2021/22 and Medium Term Financial Strategy (MTFS) 2021/22 to 2025/26; Capital Programme 2021 - 2024	

Cover sheet:

1 Purpose / Summary

To consider and approve:

- the revised General Fund Budget and Capital Programme for 2020/21 and;

To consider and recommend to Council:

- the General Fund Budget Estimates 2021/22 and the Medium Term Financial Strategy 2021/22 to 2025/26;
- the Council Tax levels for 2021/22;
- the Capital Programme 2021-2024;
- the Treasury Management Strategy Statement, Capital Strategy and Annual Treasury Investment Strategy for 2021/22.

2 Key issues

- The Final Local Government Finance Settlement was announced on 4 February 2021 and there are no changes to the provisional settlement figures. Business Rates Baseline Funding (Settlement Funding Assessment) Levels will be frozen in 2021-22 due to the business rate multiplier being frozen in 2021-22.
- In accordance with the motion adopted by Council in July 2019, a 0% Council Tax increase has been included in the MTFS for 2021/22 and over the medium term.
- Council Tax Referendum limits for 2021/22 have been set at an increase of 2% or £5 whichever is the higher.
- Projections for 2020/21 are currently forecasting a shortfall of £221k at the end of the financial year, after taking into account all government Covid-19 support packages expected to be received for this financial year.
- Current forecasts for 2021/22 show a shortfall of £842k based on the assumptions detailed in Appendix C. It is proposed that a contribution of £842k from the General Fund Balance be made to achieve a balanced budget. This shortfall increases year on year, reaching £1.670m in 2025/26.
- The forecasts for 2021/22 and over the MTFS include a number of additional resource opportunities (as detailed in paragraph 8.13 of the report).
- An updated Capital Programme for 2020/21 and for the medium term 2021-24 is proposed. This includes the previously agreed £25m for the Commercial and Investment Strategy.

- Given the scale of the challenges and uncertainties faced by the Council, the financial forecasts represent a significant achievement, demonstrating the focus from Members and Officers throughout the Council in delivering the required savings.
- The Council continues to focus on delivering quality services and to minimise the impact on front-line services.

3 Recommendations

- It is recommended that:
 - (i) the revised estimates for 2020/21 as set out in Section 7 and Appendix A showing an estimated shortfall at outturn in the region of £221,000, be approved;
- It is recommended to Council that:
 - (ii) the General Fund revenue budget for 2021/22 as set out in Section 8 and Appendix A be approved;
 - (iii) the Medium Term Financial Strategy as outlined in this report and Appendix B be adopted;
 - (iv) the Capital Programme and funding statement as set out in Appendix D be approved;
 - (v) the adoption of any additional Business Rates Relief measures announced in the budget on 3rd March 2021 as detailed in paragraphs 5.7 – 5.9 be approved;
 - (vi) the expenses detailed in Section 11 be approved to be treated as general expenses for 2021/22;
 - (vii) the Port Health levy for 2021/22 be set as shown in Section 12;
 - (viii) the amendment to the Long Term Empty Property Premium policy detailed in Section 13 be approved;
 - (ix) the Treasury Management Strategy Statement, Minimum Revenue Provision, Treasury Investment Strategy, Prudential and Treasury Indicators for 2021/22 and Capital Strategy 2021/22 as set out in Section 15 and Appendix E be approved;
 - (x) the Band D Council Tax level for Fenland District Council Services for 2021/22 be set at £260.46, no increase on the current year.

Wards Affected	All
Portfolio Holder(s)	Cllr Chris Boden, Leader and Portfolio Holder, Finance
Report Originator(s)	Peter Catchpole, Corporate Director and Chief Finance Officer (S.151 Officer) Mark Saunders, Chief Accountant
Contact Officer(s)	Paul Medd, Chief Executive Peter Catchpole, Corporate Director and Chief Finance Officer (S.151 Officer) Mark Saunders, Chief Accountant
Background Paper(s)	Final Finance settlement – Ministry for Housing, Communities and Local Government (MHCLG). Spending Round 2020 (HM Treasury) Medium Term Financial Strategy working papers. Government announcements since February 2020.

This report contains the following Appendices:

Appendices

- A. (i) General Fund Revenue Estimates - Summary
(ii) General Fund Revenue Estimates – Individual Services
- B. Medium Term Financial Strategy (MTFS)
- C. Assumptions built into Budget and Medium Term Strategy
- D. Capital Programme
- E. Treasury Management Strategy Statement, Minimum Revenue Provision Strategy,
Annual Treasury Investment Strategy and Prudential Indicators
- E. Annex A Capital Strategy
- F. Parish Precepts
- G. Earmarked Reserves

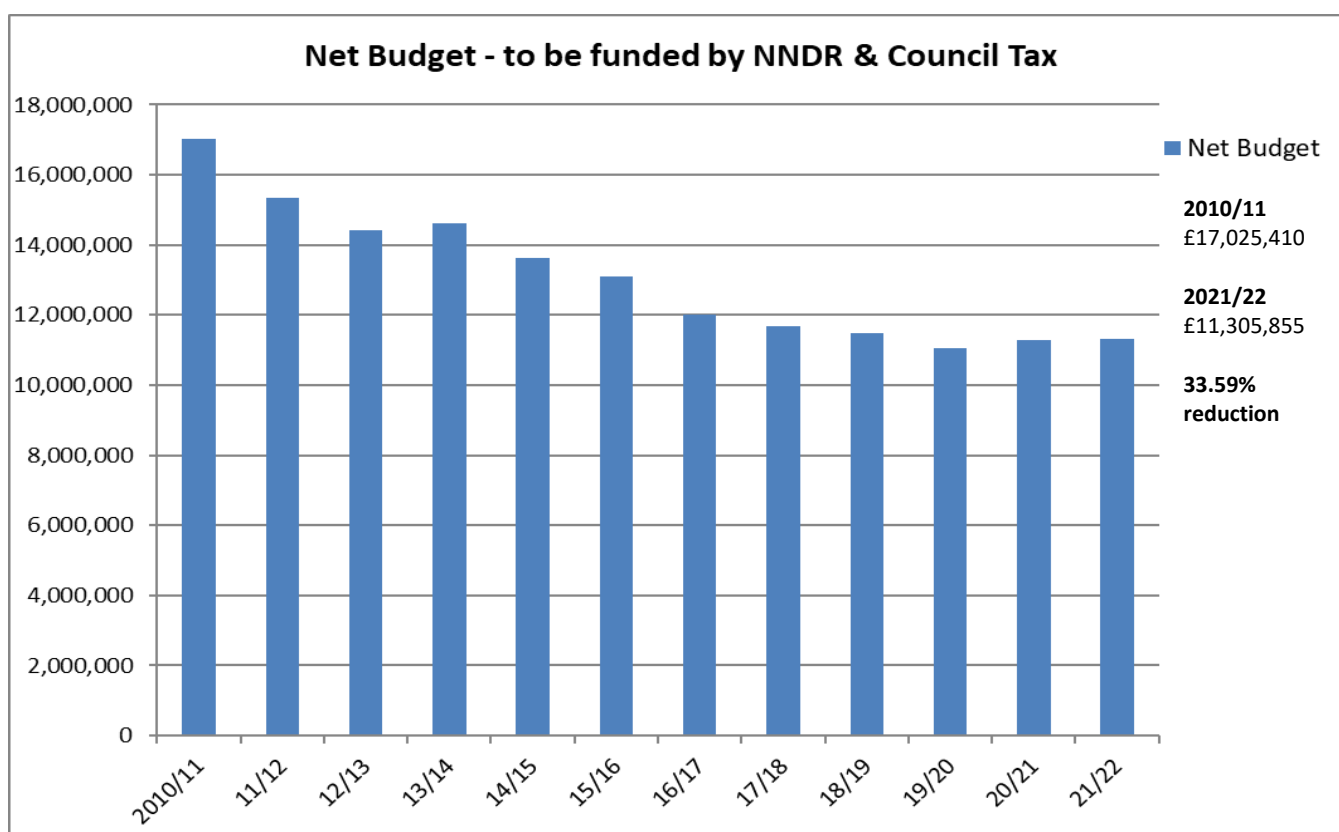
Report:

1 INTRODUCTION

- 1.1 This report sets out the financial implications of the council's priorities described in the draft Business Plan 2021/22. The Revenue budget estimates and the Capital Programme are final at this stage for approval. The draft Business Plan 2021/22 and draft Budget Estimates 2021/22 considered by Cabinet on 14th December 2020 together were subject to a public and stakeholder consultation from 5th January to 2nd February 2021, prior to final budget and council tax setting for 2021/22 on 23rd February 2021. The results from the consultation are published on the Council's website.

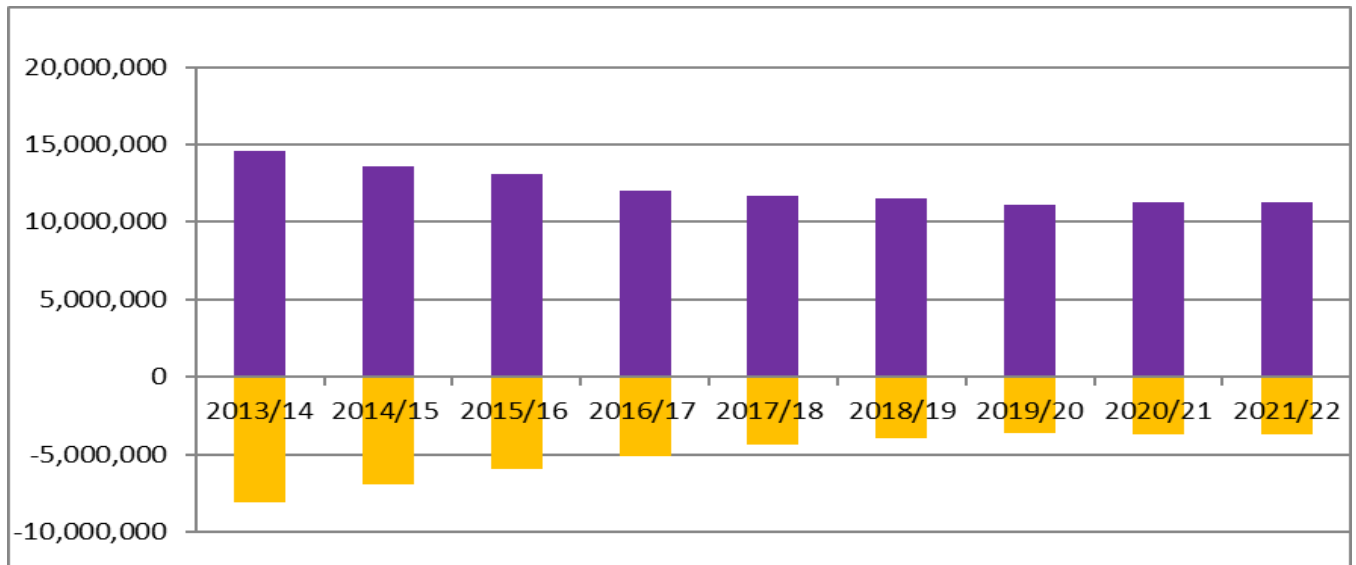
The Overview and Scrutiny Panel considered the Draft Budget 2021/22 and MTFS on 11 January 2021 and made its comments to the Cabinet. Members asked questions, made comments and received responses from Officers and Portfolio Holders. The Chairman thanked officers for their contribution and said that members were satisfied with the advice and information received.

- 1.2 Much of the financial information is necessarily based on a number of assumptions which are wholly or partly influenced by external factors. However, where final and known actual costs and revenue is known then they are included for example the Final Local Government Finance Settlement for 2021/22 was announced on 4 February 2021. Equally, some additional costs and income discussed later in this report became known since the Draft Budget Estimates were prepared; for example allocations of various specific government grant announcements which were summarised in the Overview & Scrutiny Panel report on 11 January 2021 are now included.
- 1.3 Local Government has been at the forefront of the austerity measures introduced by the government to reduce the national deficit following the General Election in 2010. This Council has had to reduce its Net Budget significantly since 2010 and by the end of 2021/22 it will have reduced by 33.59%. This is exemplified in the graph below:

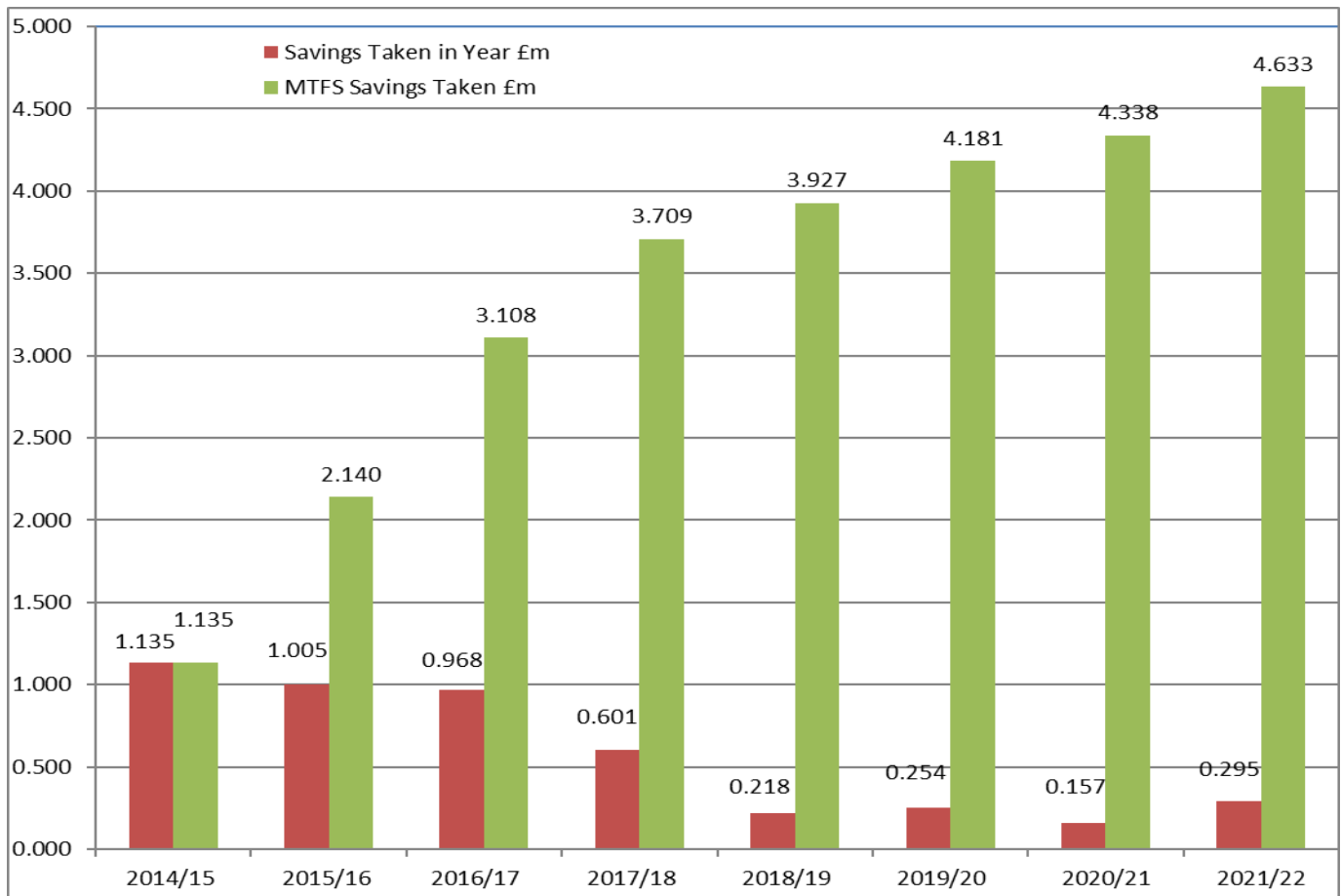


- 1.4 Since 2013/14 government support has reduced by around 54% and the Council's net budget by around 23% as illustrated in the following tables. In addition, Council Tax referendum principles have restricted increases in Council Tax.

	2013/14	2021/22	Reduction	%
Government Grant/Business Rates Baseline	£8,094,919	£3,701,878	£4,393,041	54.27
Net Budget	£14,604,750	£11,305,855	£3,298,895	22.59



- 1.5 The following graph illustrates how successful the Council has been in delivering savings over the last 8 years, enabling it to achieve balanced budgets each year.



During these years, Members have been very clear, that where possible, front line services should be protected. The Council's strategy of identifying savings at least 12 months in advance of the financial year has led to the successful delivery of the required savings targets and means the Council are in a good position to meet the challenges of 2021/22 and beyond. These savings have been achieved through a number of ways, such as Management and Service reviews, shared services, procurement and income generation.

2 2020 SPENDING ROUND AND LOCAL GOVERNMENT FINANCE SETTLEMENT TECHNICAL CONSULTATION

2.1 On 25 November 2020, the Government outlined its' spending plans for 2021/22 by setting budgets for each central government department.

2.2 The relevant points for this Council from these announcements are as follows:

- Local Government's business rate baseline funding levels will remain the same as 2020/21 as a result of freezing the business rates multiplier in 2021/22 (normally this would increase in line with inflation as determined by the CPI rate as at September 2020, ie. 0.5%). Local authorities will be fully compensated for this decision. There were no plans at that time to extend the business rates reliefs given in 2021/22 into 2021/22, although this was to be kept under review. We have recently been advised by MHCLG to delay, where possible, billing for business rates for 2021/22 until after the Chancellor's budget statement on 3rd March 2021. This is a clear indication that there will be additional business rates reliefs for 2021/22 and again, local authorities will be fully compensated for these;
- A proposed Council Tax referendum limit of 2% or £5 (together with an additional 3% increase for Adult Social Care). Police and Crime Commissioners can increase their precept by £15;
- Public Sector pay freeze. Pay frozen ('paused') for public sector workers earning £24,000 and above. Those earning below this will receive a minimum of £250. Although Local Government pay is negotiated separately, it is expected that this will form the basis of the pay award for 2021/22;
- Additional funding to reduce rough sleeping and homelessness;
- The Government is undertaking a fundamental review of the Business Rates system and are due to report on this in Spring 2021.
- The Fair Funding Review previously expected in April 2021 has been delayed with no information about when this will happen in the future;
- Continuation of the New Homes Bonus for 2021/22 with no new legacy payments (ie. the payment for 2020/21 will not be rolled forward) and potential changes to the scheme design and allocations in future years;
- Additional £3bn COVID funding for local authorities in 2021/22 including:
 - additional un-ringfenced grant for spending pressures expected to emerge in the first few months of 2021/22;
 - compensation scheme to fund 75% of irrecoverable losses in council tax and business rates in 2020/21;
 - further support for residents claiming Council Tax Support;
 - the Sales, Fees and Charges income compensation scheme will be extended into the first 3 months of 2021/22;

- 2.3 Details of how this will be converted into specific funding allocations for individual local authorities were announced as part of the final local government finance settlement on 4 February 2021.
- 2.4 It is anticipated that a 3 year Spending Review will be undertaken by the government in Autumn 2021 covering the period 2022/23 – 2024/25.

3 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 3.1 The Final Finance Settlement for 2021/22 was announced on 4 February 2021. The government confirmed the settlement for the Council as was set out provisionally on 17 December 2020.
- 3.2 The Council's Settlement Funding Assessment for 2021/22 is made up entirely of its Business Rates Baseline Funding (Revenue Support Grant was phased out in 2019/20) and is detailed below.

Table 1 – Final Settlement Funding Assessment (Core Funding)

	Actual 2020/21 £000	Actual 2021/22 £000	2021/22 % Increase
Settlement Funding Assessment (Business Rates Baseline Funding only)	3,702	3,702	0.00%

- 3.3 There has been no change to the Settlement Funding Assessment as a result of the government freezing the business rate multiplier. Local authorities will be fully compensated for this decision by way of additional S31 Grant.
- 3.4 Core Spending Power (CSP) for local government has increased by 4.6% overall. Our increase in CSP is 1.9%. CSP is a measure of the revenue funding available for local authority services. This includes council tax; business rates; Revenue Support Grant; New Homes Bonus; adult social care grants and other grants. Assumed Council Tax increases (up to 5% for social care authorities) make up 87% of the increase in CSP. The increased reliance on increasing council tax has been a feature of the finance settlements and CSP over the past few years.
- 3.5 The settlement only provides detail of figures for 2021/22 with future funding announcements dependent on the outcome of the 3 year spending review expected to be undertaken in Autumn 2021. The Medium Term forecasts detailed in Appendix B have assumed a continuation of the current policy of increasing business rates baselines by CPI inflation based on current Treasury forecasts over the medium term.

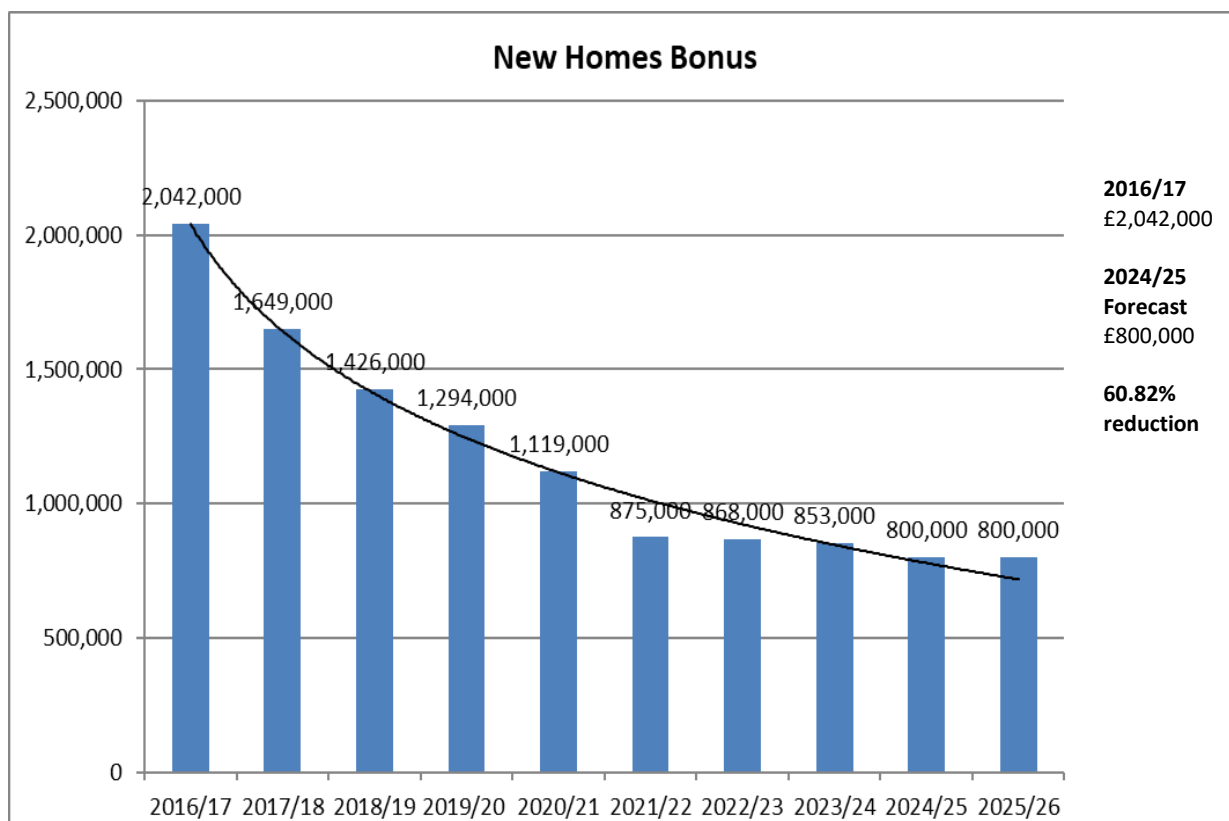
Fair Funding Review

- 3.6 The government announced earlier last year that the Fair Funding Review which was expected to be implemented from April 2021 has been delayed. As detailed in Section 2 above, no announcement has been made regarding when this review is likely to be completed and implemented.
- 3.7 The outcome of this review and the reform of the Business Rates Retention System (also from April 2022) will have a potentially significant impact on the future allocation of resource and represents major risks to the Council's medium term forecasts. It is considered that future funding of local government will be based mainly on the Business Rates Retention system including the new formula based Fair Funding distribution system, Council Tax and locally raised fees and charges. Thus, locally raised revenue will be the prominent element in the amount of resources a local authority will have each year to support its revenue funding compared to what it receives from the government in the form of redistributed Business Rates. Furthermore, this Council does not have adult social care and children's services responsibilities which are the areas where the greatest budget and spending pressures are being experienced by those authorities that have

those responsibilities and which are unlikely to be fully funded in the near to medium term.

4 NEW HOMES BONUS

- 4.1 In 2017/18, reforms to the allocation methodology of the New Homes Bonus (NHB) were made which significantly reduced the total amount available for distribution which consequently reduced this Council's allocation.
- 4.2 The key focus of the reforms was to reduce the payments from 6 years to 5 years in 2017/18 and to 4 years from 2018/19. In addition, from 2017/18, a national baseline for housing growth of 0.4% was introduced, below which New Homes Bonus is not paid, reflecting a percentage of housing that would have been built anyway.
- 4.3 Actual NHB received in 2020/21 is £1.119m. Following the announcement in the spending review, a further payment based on the current methodology (based on additional homes delivered from October 2019 – October 2020) will be made in 2021/22 although no new legacy payment will be made. The actual New Homes Bonus payment in 2021/22 is £875k (a reduction of £173k on original forecasts) with the forecast NHB reducing to £800k by 2024/25.
- 4.4 The graph below shows how the amount received from NHB has significantly changed over the past five years together with forecasts over the medium term.



- 4.5 The New Homes Bonus scheme design and allocation methodology will be subject to review as part of the government's next spending review due in Autumn 2021. To this end, a consultation document on The Future of the New Homes Bonus was published on 10 February 2021 with a deadline for responses by 7 April 2021. Although it is hard to argue against reform of the NHB, the impact on this Council's funding could be significant. We have included £868k of NHB funding in the MTFs for 2022/23 reducing year on year to £800k in 2024/25 and 2025/26. These will be replaced by allocations we receive from whatever the new Housing Incentive system will look like following the consultation exercise. For example, under the current system, a 0.1% increase in the

growth threshold would result in the loss of around £50,000 per annum in NHB, leading to a reduction in NHB of around £200,000 compared to the current MTFS forecasts.

- 4.6 In addition, the national total to be allocated by way of NHB (£622m in 2021/22) will be determined by the outcome of the government's 3 year spending review during Autumn 2021. **This is a significant risk to the MTFS.**

5 BUSINESS RATES

- 5.1 Members will be aware that the Business Rates Retention system was introduced in April 2013. Under this system, authorities would benefit if their actual Business Rates income collected in a year was higher than the baseline funding determined by government.
- 5.2 There has been real business rates growth in Fenland over the last six years, however how this impacts on the resources available to this Council is complex, due to the rules and the operation of the current 50% Business Rates Retention system. The complexity of the system has been exacerbated by the business rates reliefs support given by the government as a result of Covid-19.

Business Rates Pooling Arrangement – 2020/21 and 2021/22

- 5.3 The Council has joined with the County Council, Peterborough City Council, Fire Authority, East Cambridgeshire and South Cambridgeshire to become part of a pooling arrangement for business rates for 2020/21. Unlike the Business Rates Pilot schemes, this is not a bidding process against other pools but is part of the existing system whereby authorities can choose to apply to become a pool with the agreement of the constituent authorities.
- 5.4 The benefit of being in a pool is that authorities will not be liable to levy payments on their business rates growth, which is then shared amongst the pooled authorities by a mutually agreed method. This will be based on where the growth has originated from with an appropriate share allocated to the County Council and Fire Authority.
- 5.5 Depending on actual business rates received in 2020/21, the net effect of the pooling arrangement could be considerable for the authorities in the pool. Current forecasts indicate that this Council could receive up to £280k additional income according to the sharing methodology agreed between the pooled authorities. This is however £90k lower than originally estimated due to lower business rates income as a result of changes in rateable values and refunds given.
- 5.6 The members of the current pooling arrangement have notified MHCLG of their intention to remain as a pool for 2021/22 as there is still expected to be a net benefit to each authority. For the purposes of the 2021/22 estimates, an amount of £300k has been provisionally included as this Council's share of the potential benefit. We are still awaiting final estimated figures as all authorities in the pool will now have completed the annual statutory business rates estimate, the NNDR1 form and returned this to MHCLG by the deadline of 31 January 2021.

Additional Business Rates Relief Measures 2021/22

- 5.7 Although no announcement has yet been made regarding additional business rates relief measures for 2021/22, we have recently been contacted by MHCLG who have requested that billing for business rates be delayed until after the Chancellor's budget statement on 3rd March 2021. This is clearly an indication that additional business rates relief measures will be announced in the budget.
- 5.8 The Government have issued guidelines on the operation of these reliefs and State Aid rules will apply in the usual way. Local Authorities are expected to use their discretionary relief powers (section 47 of the Local Government Act 1988, as amended) to grant these reliefs in line with the relevant eligibility criteria set out in the guidelines. However, the full cost of granting this relief will be compensated through a section 31 grant from Government.

- 5.9 In order for any reliefs which are announced as part of the budget on 3rd March 2021 to be awarded with effect from 1st April 2021, Council is recommended to adopt any reliefs announced as part of the budget on 3rd March 2021.

Business Rates Reform – 2022/23 onwards

- 5.10 Earlier last year, the government announced that it would delay the move to 75% Business Rate Retention. In order to provide further stability to the sector, the government has decided not to proceed with a reset of business rates baselines in 2021/22.
- 5.11 The government is currently carrying out a fundamental review of the Business Rates System and a final report setting out the full conclusions of the review is expected to be published in Spring 2021. This will determine the parameters of any changes to the Rate Retention System and is likely to be implemented from April 2022.
- 5.12 As the content and character of any new system and its effect on Fenland District Council are unknown at this stage, no adjustments have been made to the business rates funding within the MTFS and it has been assumed that from 2022/23, retained business rates will increase by CPI based on current Treasury forecasts.
- 5.13 Nationally, the implementation of any new scheme is meant to be fiscally neutral overall, however any redistribution will create losers and winners and the extent of that is an unquantifiable risk for the Council currently.
- 5.14 Although the forecasts in the MTFS has assumed a 'neutral' funding position regarding retained business rates, previous consultation papers on the proposed 75% Business Rates Retention System identified a range of options which would mean this Council will almost certainly 'lose' some of the business rates growth it's seen since the current system started in April 2013.
- 5.15 In the estimate for 2021/22 and the medium term forecasts from 2022/23, around £1m of business rates above the Council's Baseline Funding Level is being retained. From 2022/23 onwards, the Baseline Funding Level of all Councils will be reset with all 'growth' income being taken into account nationally and redistributed in the new system. This means initially the additional £1m business rates income would be removed and redistributed. What remains unclear, is how much of this £1m will be returned to the Council as part of its recalculated Baseline Funding Level.
- 5.16 In theory therefore, the Council could lose all of this additional £1m in the absolute worst case scenario. However, this is unlikely and would create significant volatility within future funding allocations nationally, which the government does not wish to see. There will also undoubtedly be some kind of transitional arrangements which would also limit the extent of any gains and losses in funding arising from the new system. The national total to be distributed to local authorities will also be dependent on the next government spending review.
- 5.17 Although it is extremely difficult to exemplify the impact of this redistribution, in broad terms, if the Council were to lose 50% of its growth income then this would add a further £500k per annum from 2022/23 to the current forecast MTFS shortfalls. A 20% loss of growth income would add a further £200k per annum to the current shortfalls.
- 5.18 **At the time of writing, the Fair Funding Review, the implementation of Business Rates Reform and the changes to the New Homes Bonus are all major risk areas for this Council over the medium term.**

6 FENLAND COMPREHENSIVE SPENDING REVIEW

6.1 The estimated total net savings generated from the FDC-CSR proposals agreed previously at £1.667m will now amount to £1.8m by the end of 2020/21. During this year several proposals have been implemented together with the full-year benefit of proposals implemented in 2018/19 and 2019/20. These include the following:

- Relocation of March and Wisbech Shops
- CCTV – alternative service delivery with Peterborough City Council

together with the full-year benefit in 2019/20 and 2020/21 of the following:

- Staffing Review of Customer Services, Human Resources, Accountancy and Vehicle Workshop
- Leisure Centre management options (contract commenced 4 December 2018)
- Leisure and Open Spaces Management Review
- Community House closure

6.2 All the above initiatives have been fully implemented and the savings generated from these and other CSR proposals are included within the Medium Term Financial Strategy detailed at Appendix B and have significantly contributed to the required savings target over the medium term.

7 FORECAST OUTTURN 2020/21

7.1 The impact of COVID-19 on the Council's delivery of services and finances in 2020/21 have been and continue to be, significant and challenging. Members will be aware of the Council's response to COVID-19 and reports have been considered by Overview and Scrutiny Panel (on 8 June 2020 and 13 July 2020) on the actions taken by the council to date and also on the future implications and opportunities of the COVID-19 pandemic in relation to service delivery by Fenland District Council.

7.2 In addition, at the Council meeting of 6 August 2020, Members received a detailed report on the additional spending pressures and income reduction pressures the Council was facing this year, together with details of the government support for Covid-19 pressures.

7.3 The total Covid-19 direct grant support received, aimed at addressing the expenditure pressures, since March 2020 is £1,859,459 (£65,197 in 2019/20 and £1,794,262 in 2020/21).

7.4 In addition, the Council has received other grant funding relating to the administration of Business Grants amounting to £188,500, the administration of the Test and Trace Support Payments (isolation payments) of £27,068 and the Next Steps Accommodation Programme (NSAP) for delivering short-term Rough Sleepers interim accommodation and support of £198,000 for 2020/21. Further funding from the NSAP of £622,650 (Revenue funding of £178,250 and Capital funding of £444,120) for move-on funding has also been secured for the period 2020/21 – 2023/24. This will be delivered in partnership with Clarion Housing Association.

7.5 In the December draft budget report, it was estimated that the compensation payment due from the governments co-payment mechanism for irrecoverable Sales, Fees and Charges income, whereby the government covered 75% of losses beyond 5% of planned income, would be around £718k. The current projection is for an income compensation of around £613k. Current projections for income are higher than previously forecast and therefore, although we will receive less in compensation, this is made up by receiving higher actual income.

7.6 An updated projection for 2020/21, taking into account the latest estimate of spending and income reduction pressures and additional government support, was included in the

draft budget report presented to Cabinet on 14 December 2020. At that time, a shortfall of £485k was being projected for 2020/21.

- 7.7 The latest projected outturn for 2020/21 are set out at Appendix A and show the likelihood of a shortfall in the region of £221k by the end of this financial year.
- 7.8 The main reason the shortfall has reduced is due to the expectation that the Council will receive at least its' notional allocation of £210k from the £100m government fund set up to support leisure centres most in need in 2020/21. The Council has bid for £221k and this is currently being considered by the Department for Digital, Culture, Media and Sport (DCMS). We are expecting to be notified of the outcome of our bid by the end of February 2021. There is no certainty that the Council will receive more than its' notional allocation and consequently only this amount (£210k) is included in the projected figures for 2020/21.
- 7.9 One of the measures to assist local authorities in 2020/21, announced as part of the SR2020 in November 2020 was the **Tax Income Guarantee Scheme (£790m)**. This will fund 75% of irrecoverable losses in council tax and business rates. This scheme will run in parallel to the requirement for billing authorities to spread the 2020/21 collection fund deficit over 3 years. We are still working through the details of this scheme but currently it is not possible to estimate any potential benefit to this Council in 2020/21.
- 7.10 There are still many uncertainties around the potential shortfall for 2020/21 and there is no requirement to formally approve an amount to be funded from reserves. At the present time, Corporate Management Team, Senior Managers and the Accountancy Team are managing and monitoring the position carefully and will continue to review spending levels to ensure where possible, the amount to be funded from reserves at the year-end is minimised.
- 7.11 Use of reserves to fund any potential shortfall in 2020/21 will have a consequential impact on the Council's ability to fund the shortfall in 2021/22 from reserves. Details of the Council's reserves are at Section 16 and Appendix E.

8 DRAFT BUDGET ESTIMATES 2021/22 AND MTFS

- 8.1 The Council's MTFS ensures that the commitments made in the Business Plan are funded not only in the year for which formal approval of the budget is required (2021/22) but for forecast years as well, within a reasonable level of tolerance.
- 8.2 The impact of Covid-19 on the Council finances in 2020/21 will to a certain extent continue into 2021/22 and the medium term, particularly regarding spend pressures relating to homelessness, rough sleepers and leisure contract, forecast income levels and the impact on future Council Tax and Business Rates income. The government has recognised this ongoing impact and announced a package of measures in SR2020, as detailed in Section 2 above, to support local authorities in 2021/22.
- 8.3 Details regarding these measures and their impact on this Council have been finalised as part of the Final Local Government Finance Settlement announced on 4 February 2021.
- 8.4 In summary, these are follows:
- **Lower Tier Services Grant (£111m)** is a new grant and has been funded from the NHB returned surplus. Allocations are based on the share of the 'lower-tier' element of the settlement funding assessment and topped-up to ensure no district council sees its CSP reduce in 2021-22 (mainly as a result in changes to NHB payments). Our allocation of this new grant is **£157,697**.
 - **COVID funding (£1.55bn)**, tranche 5 allocations have been announced and our allocation is **£634,010**. The allocations are based on the COVID relative needs formula (RNF) which formed part of the allocation methodology used in tranches 3 and 4. The government has stated that they consider this funding sufficient for

spending pressures in 2021-22 and are assuming there will be no further funding for next year. The funding is to cover the continuing spending pressures faced by local authorities focussed on a similar set of priority pressures as previously set out for the 2020-21 Covid funding.

For this Council, the most significant additional spend pressures are those relating to Homelessness (£100k); Rough Sleepers (£250k) and Leisure Contract support (£155k for first quarter 2021/22 plus £200k contingency for July 2021 onwards) and these additional amounts have been included in the 2021-22 budget.

- **Local Council Tax Support Grant (£670m)** is another new grant for 2021-22 and its primary purpose is to compensate authorities for the expected additional cost of Local Council Tax Support (LCTS) schemes in 2021-22 as a result of an expected increase in working age claimants. It is also intended that it should 'enable councils to continue reducing council tax bills for those least able to pay, including households financially hard-hit by the pandemic'. The grant is not ring-fenced, which will give billing authorities flexibility about how it is used. This Council's allocation is £194k. Each of the major preceptors, County Council (£854k), Police (£146k) and Fire Authority (£45k), will receive their grant payment directly. We are currently assuming that there will be no net benefit/cost to the revenue account as a result of this grant.
- **Sales, Fees and Charges (SFC) compensation scheme** will continue into the first quarter of 2021-22. The scheme remains unchanged and the 2020-21 budgeted income will remain the baseline against which income losses will be measured. We have included income losses of £142k (mainly from loss of Leisure Management Fee and Conference income at business centres), off-set by £100k from the SFC compensation scheme leaving a net budgeted cost of £42k. This has been included for the first quarter of 2021-22 only and further losses from July 2021 onwards are possible.

8.5 With all of the above measures included, the Council's medium term forecasts are shown at Appendix B and summarised in Table 2 below. The table includes a 0% Council Tax increase in 2021/22 and the medium term.

Table 2 - MTFS - 0% increase in 2021/22 onwards

	Estimate	Forecast	Forecast	Forecast	Forecast
	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Expenditure					
Net Service Expenditure	12,840	13,284	13,569	13,957	14,347
Corporate Items	916	805	847	997	1,025
Renewable Energy Rates Retained	-362	-366	-372	-378	-385
Retained Business Rates (Growth)	-947	-1,013	-1,034	-1,056	-1,081
Business Rates Pool - share of benefit	-300	0	0	0	0
Contribution from Business Rates Reserve	-3,417				
Net Expenditure (before use of balances)	8,730	12,710	13,010	13,520	13,906
Funding					
Business Rates Baseline	-3,702	-3,746	-3,806	-3,871	-3,944
Business Rates Collection Fund Deficit	3,621	184	184	0	0
Council Tax Collection Fund Surplus(-)/Deficit	44	47	47	-50	-50
Council Tax (<i>increases of 0% in 21/22 onwards</i>)	-7,851	-7,949	-8,046	-8,144	-8,242
Total Funding	-7,888	-11,464	-11,621	-12,065	-12,236
Shortfall(+) before use of balances	+842	+1,246	+1,389	+1,455	+1,670
Contribution from General Fund Balance	-842	0	0	0	0
Shortfall(+) after use of balances	0	+1,246	+1,389	+1,455	+1,670

- 8.6 Government support for 2021/22 was announced as part of the final finance settlement. This Council will only be receiving retained business rates from the finance settlement. The projections for 2022/23 onwards are based on the best estimates and information available and are consistent with the announcements on business rates in the Spending Round 2020. However, subject to further clarity on the detailed implementation of the announcements, there remains a degree of uncertainty in these projections.
- 8.7 The figures in Table 2 incorporates the assumptions detailed at Appendix C. With the final funding assumptions and a 0% increase in Council Tax, a shortfall of £842k is forecast. Due to the considerable uncertainties in next years forecast, particularly with regard to any further government support, it is proposed that a contribution of £842k from the General Fund Balance be made at this time to achieve a balanced budget for 2021/22. The net budget requirement for 2021/22 is currently estimated at **£7.888m** (£8.730m less £0.842m use of balances) after all identified savings, contingencies and reserve transfers are included.
- 8.8 The forecasts include all proposed savings from the Phases 1 and 2 of the My Fenland transformation initiative over the next two years and the medium-term, together with assumptions regarding receipts from Council Tax and Business Rates.
- 8.9 The development of the Commercial and Investment Strategy has the potential to generate significant returns over the MTFS. It is difficult to forecast the extent of such returns as much will depend on the type and timing of investment opportunities. Consequently, no allowance for these potential returns have been included in the MTFS at the current time.
- 8.10 In addition, it is not unreasonable to assume that should the impact of Covid-19 continue beyond the first quarter of 2021/22, through additional spend and income pressures arising from for example, Homelessness, Rough Sleepers and Leisure Contract Support, then there would be additional government support available to partly off-set these pressures. However, for the purposes of the 2021/22 budget, we have only included the level of government support already announced.
- 8.11 Taking into account the proposals in the Table 2 above, the estimated net budget requirement in 2021/22 is detailed in Appendix A. The level of forecast resources available to the Council and the estimated levels of expenditure over the medium term are set out in detail in Appendix B. These show a funding gap of £1.670m by the end of 2025/26.
- 8.12 The forecasts for the years 2022/23 – 2025/26 are provisional at this stage and should be considered with extreme caution. Future announcements and consultation outcomes will also determine government policy and therefore the funding in the future years. In addition, the forecasts are dependent on permanently maintaining the savings identified through the FDC-CSR proposals and the MTFS ‘Opportunities’ detailed below.

MTFS ‘Opportunities’

- 8.13 There are a number of additional resource opportunities including potential one-off benefits and also medium term annual benefits, which it is forecast will not only contribute to a balanced budget in 2021/22 (as detailed above and Appendix A) but also make a significant contribution to the shortfalls over the medium term. These are detailed below:
- As detailed in paragraphs 5.3 – 5.6 above, there is a potential benefit of being part of a Business Rates Pooling arrangement in 2021/22 with other Cambridgeshire Districts, County Council and Peterborough City Council. This is expected to realise around £300k of additional income in 2021/22. Future year’s benefit will be dependent on the implementation of Business Rates reform from 2022/23 onwards and consequently no benefit from this is included after 2021/22;
 - This Council is due to receive its’ share of the distribution of Cambridgeshire Horizons funds back to constituent authorities. This is a one-off benefit and could

amount to between £2.25m - £3.3m subject to finalising all the Horizon's statutory liabilities. For the purposes of the budget proposals for 2021/22, no allowance has been made as we are unsure of the exact amount and timing of this receipt;

- Officers are currently evaluating the impact of investing 'surplus cash' in Property Funds with potential for additional annual investment income from 2020/21 onwards, commensurate with the Council's risk appetite. Based on an initial investment of £5m, current projections are that around £250k of additional investment income could be generated per annum from 2022/23 with an additional £150k, net of costs being realised in 2021/22;
- Development of the Commercial and Investment Strategy has the potential to generate significant returns over the MTFS. It is difficult to forecast the extent of such returns as much will depend on the type and timing of investment opportunities;
- Members will be aware that the Council is developing the Council for the Future (CFF) transformation plans which could see further savings/additional income being generated over the MTFS. Included within the MTFS are the potential benefits of the 'My Fenland' transformation project. Phase 2 is expected to generate savings of around £295k in 2021/22 and £366k per annum from 2022/23 onwards and are included in the forecasts. Phase 3 of the project is currently being developed with potential further savings over the medium term.

Significant Risks to MTFS

- 8.14 As detailed earlier in this report, Business Rates Retention Reform, Fair Funding Review and changes to the New Homes Bonus could have a significant impact on the Council's forecast resources over the term of the MTFS. Further to the risks associated with these externally determined funding streams the Council should also ensure that income budgets are achieved and new income streams considered and implemented for medium to long term sustainability in combination with any operational and transformational benefits that the Council realises. The use of general reserves to support revenue expenditure adds to the overall risks to the Council as such reserves can only be used once but the cumulative impact of such use will continue to be felt into the future.

Other Risks

Capital Programme – Future Funding

- 8.15 The Council is increasingly relying on borrowing (Internal and Prudential) to fund its future programme as the amount of capital receipts and the level of reserves available to fund the capital programme are reducing considerably over the next two years. Consequently, any new capital schemes (which do not generate a return to repay borrowing costs) will have to be funded through borrowing which will result in revenue costs and therefore will impact on the MTFS and future shortfalls.
- 8.16 For example, a £1m scheme with a 20 year life, funded by prudential borrowing, would result in around an additional £70,000 per annum in interest (2%) and repayment costs.

Potential Impact of Major Risks

- 8.17 To exemplify the effect on the MTFS of potential additional costs arising from the above risks, Table 3 below details a scenario whereby the Council loses 50% of its business rates growth income following the reforms in 2022/23.

Table 3: MTFS Potential Impact of Major Risks – for illustrative purposes only

	Estimate	Forecast	Forecast	Forecast	Forecast
	2021/22	2022/23	2022/23	2024/25	2025/26
	£000	£000	£000	£000	£000
MTFS Shortfall - Appendix B	0	1,246	1,389	1,455	1,670
<i>(0% CT increase in 2021/22 onwards)</i>					
50% loss of NNDR growth income		500	500	500	500
Increasing NHB threshold by 0.1%		50	100	150	200
Revised Shortfall	0	1,796	1,989	2,105	2,370

- 8.18 As stated earlier, it is important to note that the figures detailed in the above table are purely illustrative as no decisions have yet been made regarding changes to these funding streams and the potential impact on this Council.

9 PARISH PRECEPTS

- 9.1 The levels of parish precepts set throughout Fenland are provided for information at Appendix F. These will be reported to Council as part of the Council Tax setting process.

10 FEES AND CHARGES

- 10.1 The Overview and Scrutiny Panel reviewed fees and charges for 2021/22 at its meeting on 11 January 2021 and these were subsequently considered by Cabinet on 25 January 2021. All of the recommendations from these meetings have been included in the financial forecasts.

11 SPECIAL AND GENERAL EXPENSES

- 11.1 For the purposes of Section 35 of the Local Government Finance Act 1992, the Council needs to pass appropriate resolutions for each financial year to determine how expenses which could legally be regarded as special should be treated.
- 11.2 If expenses are treated as special expenses, then they must be charged against the parts of the Council's area to which they relate.
- 11.3 Parish precepts are special expenses and cannot be treated as general expenses.
- 11.4 Drainage Board and Port Health levies which affect only part of the Council's area are treated as general expenses unless the Council resolves otherwise. These are currently treated as general expenses and it is recommended that this position continues for 2020/21.
- 11.5 Expenses incurred by the Council in performing, in part of its area, a function performed elsewhere by a parish council are special expenses unless the Council determines otherwise. Currently, these are treated as general expenses. To maintain this position, it is recommended that the Council determines that such expenses should not be treated as special expenses for the financial year 2021/22.

12 PORT HEALTH

- 12.1 The Port Health levy for 2021/22, based on expected expenditure, is recommended as shown in Table 4 below for Council to approve.

Table 4: Port Health Levy 2021/22

Description	£
a) Port Health anticipated expenditure	16,209
b) Port Levy	
Fenland District Council	14,345
South Holland District Council	1,135
King's Lynn and West Norfolk Borough Council	729
Total	16,209

13 COUNCIL TAX – LONG TERM EMPTY PROPERTY PREMIUM

- 13.1 Since April 2019 and in accordance with legislation passed at that time, the Council charges the following premiums on long term empty properties;
- From 1 April 2019 an additional premium of 100% Council Tax will be charged from a date two years after the properties first became empty;
 - From 1 April 2020 an additional premium of 200% Council Tax will be charged from a date five years after the properties first became empty;
 - From 1 April 2021 an additional premium of 300% Council Tax will be charged from a date ten years after the properties first became empty.
- 13.2 The main objective of this policy was to bring long term empty properties in Fenland back into use as soon as possible and to incentivise this by adding penalties through the additional Council Tax premium charged.
- 13.3 Through the work of the Empty Homes Officer over the past year, it is clear that the above policy has had some unintended consequences with the premium being particularly onerous on owners of listed buildings, inherited buildings and those renovating or trying to sell.
- 13.4 For owners genuinely renovating or trying to sell where repeated sales have fallen through, the increased rates are causing financial hardship and the premiums are removing valuable funds from renovation projects.
- 13.5 To incentivise owners who are actively taking steps to bring properties back into use, it is proposed that the premium be suspended for an initial period of 6 months from a 'new transfer of title'. The 'normal' Council Tax rate would still be payable. Owners would need to apply for the suspension and provides details of their plans for the property to be occupied within a 6 month period. If the plans are assessed as feasible and approved, the Empty Homes Officer would provide ongoing monitoring of progress. If the property is not brought back into use within 6 months, then the original premium charge will become payable from the date of suspension. However, if good progress has been made but not completed at 6 months, then at the Council's discretion and in exceptional circumstances, a further extension may be granted.

14 FENLAND DISTRICT COUNCIL - COUNCIL TAX 2021/22

- 14.1 As part of the 2021/22 Final Local Government Finance Settlement announcement, the government is again proposing that local authorities will be required to seek the approval of their local electorate in a referendum if they set council tax increases in 2021/22 that exceed the government set limit. This limit has been set at 2% or £5, whichever is higher for 2021/22 for District Councils. A 2% increase on the Band D Council Tax equates to £5.13 per annum (a 1.97% increase due to roundings).

- 14.2 Council at its meeting on 18 July 2019, agreed to re-position the MTFS to show 0% Council Tax increases through to 2023/24. This report extends the MTFS period and 0% increases to 2025/26. The motion agreed by Council emphasised that 0% increases in Council Tax throughout the MTFS period is an ambition and it was recognised that the Council continues to face significant financial challenges and uncertainties that may not allow this ambition to be met. These challenges and uncertainties have been exacerbated by Covid-19.
- 14.3 The motion also stated that Members of the Council need to act responsibly each year when setting the precept to balance the ambition of achieving a 0% Council Tax rise with the legal need to balance the budget. It was agreed that raising Council Tax in any of the next four years will be a last resort in order to minimise the financial effects of Council Tax on all of Fenland's households.
- 14.4 For information, an additional 1% increase in Council Tax in 2021/22 would generate in the region of £78,500 of revenue per annum to the Council. Even with this additional revenue included, the estimates for future years show a significant and increasing shortfall (see Table 2 in paragraph 8.5 above and Appendix B).
- 14.5 After the estimates of expenditure and income have been prepared, and the Final Settlement has been received, the next step is to set the council tax for 2021/22 for Fenland District Council.
- 14.6 In line with the motion agreed by Council on 18 July 2019, assumed Council Tax increases of 0% have been included for 2021/22 and over the period of the MTFS.
- 14.7 At this level of Council Tax there is a requirement for a significant contribution from the General Fund Balance of £842k to ensure a balanced budget for 2021/22. There are also forecast further significant and increasing deficits over the period of the MTFS. Consequently, the Council will need to continually consider its strategy to meet the estimated shortfalls shown at Table 2 and in Appendix B.
- 14.8 The implications of not increasing Council Tax over the MTFS is that the Council would be reducing its financial base permanently as it would not be able to recover potential revenue foregone due to the cumulative year on year impact. The consequences of continually setting zero Council Tax levels and not achieving the necessary savings/additional income have been clearly demonstrated by the events at other Councils. The ability to achieve significant year on year savings (without increasing existing and introducing new revenue streams together with transformational change) to balance the budget becomes progressively difficult without eventually impacting on front-line services and delivery.
- 14.9 Council can of course agree to a higher increase (up to the referendum limit of 2%) and a 1% increase in Council Tax raises around £78,500 revenue per annum. Table 5 shows the implications of increasing the Council Tax in 2021/22 by 1.97% per annum and thereafter compared to freezing the Council Tax in 2021/22 and throughout the MTFS period.

Table 5: MTFS Deficits at Differing Council Tax increases in 2021/22 onwards

Deficits based on different % increases	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Deficits at 0% increase (<i>as shown in Table 2/Appendix B</i>)	+842	+1,246	+1,389	+1,455	+1,670
Additional CT with 1.97% increase p.a. from 2021/22	-157	-319	-488	-665	-849
Required Contribution from General Fund Balance	-685				
Deficits at 1.97% increase	0	+927	+901	+790	+821

- 14.10 Table 6 shows the Band D Council Tax for spending at the level proposed, together with Council Tax levels from the major preceptors and Parishes.

Table 6: Band D Council Tax Levels 2021/22

COUNCIL TAX BASE	2021/22 30,143		2020/21 29,815	
	£	Band D £	£	Band D £
Fenland District Council Precept (Appendix A)	<u>7,851,042</u>		<u>7,765,610</u>	
Fenland District Band D Council Tax	0.00%	260.46	0.00%	260.46
MAJOR PRECEPTORS				
County Council	(2.99%)	1,399.77	(4.98%)	1,359.18
Police & Crime Commissioner	(6.42%)	247.59	(12.05%)	232.65
Fire Authority	(2.00%)	73.53	(2.88%)	72.09
Sub Total BAND D TAX		1,981.35		1,924.38
Parish Councils-average (Appendix F)	(-0.84%)	48.05	(-1.19%)	48.46
Total average Band D Tax		2,029.40		1,972.84
Total average increase over 2020/21		£56.56 (2.87%)		

- 14.11 The County Council increase for 2021/22 includes 1% for the Adult Social Care precept (£13.59) and 1.99% on the general council tax (£27.00), giving a total increase of 2.99% (£40.59). For 2021/22, the Police and Crime Commissioner is allowed to increase council tax by up to £15.00 on a Band D property. The actual increase is £14.94 (6.42%).

15 TREASURY MANAGEMENT STATEMENT, ANNUAL TREASURY INVESTMENT STRATEGY AND CAPITAL STRATEGY 2021/22

- 15.1 Full details of the proposed Treasury Management, Annual Investment Strategy and Capital Strategy for 2021/22 are contained in Appendix E. The proposed Treasury Management and Annual Investment strategies were presented to and endorsed by Audit and Risk Management Committee on 1 February 2021.
- 15.2 The key issues relating to the strategies and their impact on the MTFs are as follows:
- The prudential and treasury indicators detailed in paragraphs 2-12 of Appendix E, show that the Council's capital investment plans are affordable, prudent and sustainable.
 - The Capital Strategy, detailed at Annex A of Appendix E, sets out the context in which capital expenditure and investment decisions are made and establishes that the Council has arrangements in place to ensure it gives due consideration to risk, reward, and impact on the achievement of priority outcomes.
 - The MRP policy sets out how the Council will make prudent provision for the repayment of borrowing needs over the medium term forecast.
 - The Treasury Management Strategy has been organised so that the Council will have sufficient cash resources to meet capital expenditure plans and operational cash flows.
 - Due to the Council's long term PWLB debt portfolio (£4.5m at 31/03/20) currently attracting excessive premiums; it is not financially advantageous for the Council to comply with the gross borrowing and capital financing prudential indicator.

- Total external interest which includes finance lease interest payments; revised estimate for 2020/21 is £496,710 and the estimate for 2021/22 is £530,500. Additionally, if the authority were to immediately borrow the full £25M to fund schemes taken forward as part of the Commercial and Investment Strategy this would attract annual interest payments of £287,000.
- Bank rate is expected to remain unchanged at 0.10% throughout the next three years.
- The current Medium Term Financial Strategy assumes that some external borrowing will be required, to fund the Council's Capital Programme, over the four-year period to 31 March 2024.
- The aim of the Council's annual treasury investment strategy is to provide security of investments whilst managing risk appropriately; investment returns are commensurate with the Council's historic low risk appetite although we are in the process of transition as a Council from a low risk policy to an appropriately managed risk policy. The Council achieves these objectives through differentiating between "specified" and "non-specified" investments and through the application of a creditworthiness policy.
- Total investment income is an estimated £55,000 for 2020/21 and £40,000 for 2021/2022. The Council is anticipating that if market conditions improve as expected it should be possible for the Council to invest in property funds during the 2021/22 financial year. The Medium Term Financial Strategy incorporates an estimate that such an investment would yield a return of £150,000 in 2021/22 rising to £250,000 per year in subsequent years.

16 REVIEW OF GENERAL FUND BALANCE AND EARMARKED RESERVES

- 16.1 An important part of any budget strategy is the review and consideration of reserves. Earmarked Reserves are typically held and used in a planned way to deal with issues where it is foreseen that resources need to be set aside to meet a specific need but the exact amount and timing is not known. General Reserves are held to cushion the impact of an event or events that cannot be foreseen whilst maintaining these resources at a consistent and reasonable level over the medium term.
- 16.2 Sufficient levels of reserves are necessary to provide for various contingent and unplanned items that could include:-
- significant increased costs of providing statutory services
 - significant increased contractual costs
 - an unexpected and/or significant event or disaster, e.g. civil emergency
 - an unexpected major liability in law
 - the need to make significant payments in relation to prior year adjustments under the direction of the external auditor
- 16.3 The Council's current uncommitted General Fund Balance is £2m. As part of the budget proposals for 2021/22 detailed in this report a contribution of £842k is required to set a balanced budget.
- 16.4 It is good practice to keep the balance on this reserve under review alongside ensuring that the purposes for which other earmarked reserves were allocated remain consistent with and relevant to the Council's Medium Term Financial Strategy. In light of the proposed use of the General Fund Balance in 2021/22, it will be necessary to re-assess the appropriate level of this balance over the period of the MTFS. It is proposed that this is carried out during 2021/22 taking into account actual use of this balance and updated MTFS forecasts.

- 16.5 The Budget Equalisation Reserve was established in 2019/20 to provide a smoothing mechanism between financial years which could provide resources to help achieve balanced budgets in future years. The current balance on this reserve is £315k and is available to meet potential budget shortfalls.
- 16.6 The analysis of reserves at Appendix G details the projected General Fund and earmarked reserves position as at 31 March 2021 and 31 March 2022 taking account of the proposals detailed in this report.

17 CAPITAL PROGRAMME

- 17.1 Capital Expenditure and Income plans have been prepared through the Council's service and financial planning cycle. The Council's capital resources are dependent on government funding, external grants or through the ongoing disposal of assets.
- 17.2 A fully updated Capital Programme for 2021-24 is presented at Appendix D for approval. The programme has been updated to ensure it adequately reflects the cost and anticipated timing of schemes previously approved.
- 17.3 In June 2019 Members approved a series of recommendations relating to the disposal of surplus assets. These recommendations have been taken forward by officers and the summary of resources available to finance the current capital programme takes account of disposal proceeds the Council expects to generate over the life of the current programme. Whilst it is difficult to determine with certainty the returns the Council might be able to generate such returns are important in the context of the Council's Medium Term Financial Strategy as where capital expenditure can be financed through the application of capital receipts it does not need to be financed from borrowing.
- 17.4 The Council has continued to deliver the schemes set out in its capital programme. The pandemic has impacted on the supply chain and this resulted in some schemes needing to be re-profiled. The impact of these profiling adjustments is not, however, considered to be significant and there are no specific financial implications. The updated capital programme is set out in Appendix D to this report.
- 17.5 The capital programme takes account of two recent government announcements concerning major grant-funded capital schemes. The first relates to the installation of technologies to improve energy efficiency in social housing in Wisbech and the second concerns major infrastructure improvements to March High Street.
- 17.6 On 12 January 2021 Cabinet authorised officers to enter into an agreement with the Department of Business, Energy and Industrial Strategy (BEIS) to enable the Council to participate in a project which forms part of a national Social Housing Decarbonisation initiative. The project will be delivered by Clarion and its partners by 31 March 2022. Clarion is providing match-funding for 50% of the total projects costs and the Council will pass on to Clarion funding for the remaining 50% of project costs by applying the grant provided by government in accordance with the terms of a funding agreement between Clarion and the Council.
- 17.7 On 26 December 2020 it was announced that the Council had been successful in securing funds from MHCLG to deliver a scheme of major improvements to March High Street in line with a bid which had been submitted to the government's Future High Streets Fund. The scheme will be funded from a combination of a grant from MHCLG and an agreed contribution of £2M from the Cambridgeshire and Peterborough Combined Authority (CPCA). A report providing more details relating to this scheme is scheduled to be reported to a future meeting of Cabinet. The scheme is included in the programme based on the value of funding approved and the expected profile of the associated expenditure.
- 17.8 Cabinet was informed on 14 December 2020 that the capital programme had been updated to take account of the final value of the grant awarded to the owners of 13-17 High Street, Wisbech which is one of the properties which forms part of the Wisbech High

Street project which is funded from grant received from the National Lottery Heritage Fund (NHLF). Proposals for redevelopment at 11-12 High Street and 24 High Street are still being finalised and the capital programme will be updated once decisions relating to these schemes have been reached and approval has been obtained from the NHLF.

- 17.9 In February 2020 Council approved the allocation of £25M to take forward the development of schemes identified as part of the approved Commercial and Investment Strategy. During the 2020-21 financial year both the Council's Investment Board and the Council's Local Authority Trading Company, Fenland Future, have met to consider potential opportunities for investment and the associated governance arrangements. An indicative profile of likely spend is included in the capital programme although it should be noted that the facility exists for the allocation to be spent at any time over the period covered by the programme.
- 17.10 Should resources from external funding and/or capital receipts not generate the level of receipts forecast, or there is a delay in disposal of assets, then the capital programme will need re-visiting to ensure funding is sufficient to meet proposed expenditure including through borrowing. Reviews of the programme and resources available are carried out regularly during the year.
- 17.11 The Council's Borrowing Strategy which is incorporated into the Council's Treasury Management Strategy Statement, recognises that some prudential borrowing may be required over the life of the capital programme. The projected additional annual revenue costs for the Council are reflected in the MTFS.

18 RISK ASSESSMENT

- 18.1 There is an element of risk inherent in any process that looks into the future to make forecasts, particularly in the current economic climate and other national and international events now or in the future that may impact on the Council either directly or indirectly. The Council has a strong track record in good financial management as recognised in the recent Annual Audit Letter. This risk is further minimised by adopting the following methodology when preparing the estimates:-
- Service managers and the Accountancy Team working together to define likely service income/expenditure patterns matched with service delivery plans;
 - Maintaining "earmarked" reserves for expenditure that it is known will occur but the exact amount and timing of the expenditure is not known;
 - Maintaining an adequate level of general reserves to meet sudden and or unforeseen expenditure;
 - Adopting clear guidelines and control systems (robust revenue and capital budget management and monitoring procedures, Financial Regulations and Contract Procedure Rules etc.) to alert service managers, and members before variances reach tolerance levels;
 - Using professional and expert advice and economic forecasts where these are available, e.g. treasury management, interest rates;
 - Maintaining a rolling review of forecast estimates beyond the current year.
- 18.2 These assumptions are made with all available information but are necessarily calculated based on broad assumptions. In the current economic climate, some of these assumptions are particularly volatile. The MTFS will be prepared annually on a rolling basis so that as information becomes more certain the figures will be updated and early consideration can be given to any action or changes in direction that may be required.

19 REPORT OF THE CHIEF FINANCE (SECTION 151) OFFICER UNDER SECTION 25 OF THE LOCAL GOVERNMENT FINANCE ACT 2003.

- 19.1 Under Section 25 of the Local Government Act 2003 and CIPFA Code of Practice, the Council's Chief Finance Officer (Section 151 Officer) is required to report on the robustness of the estimates made for the purpose of the budget calculations and the adequacy of the proposed reserves.

Cabinet and Council are required under the 2003 Act to consider and give due regard to the Chief Finance Officer's report as part of the budget approval and council tax setting process.

- 19.2 The proposed budget is set against the context of significant economic uncertainty in a post-Covid-19 world together with considerable uncertainty regarding government funding over the MTFS. In 2022/23 the Government intends to make fundamental changes to the funding system for Local Government through the introduction of a new needs based fairer funding formula and the introduction of business rates reforms and a new system of distributing the New Homes Bonus. The cumulative impact of these changes and lack of visibility on any transition or damping arrangements means that financial planning for 2022/23 is very uncertain.

19.3 The Corporate Director and Chief Finance Officer (Section 151 Officer) makes the following statement:

The robustness of the Budget estimates and the adequacy of the reserves are largely dependent on the levels of risk and uncertainty. There is an element of judgement as budget estimates of spending and income are made at a point in time and may change as circumstances change, particularly given the economic uncertainty in a post-Covid-19 world.

This statement on the robustness of estimates cannot give a 100% guarantee about the budget but should give the Council reasonable assurance that the budget has been based on the best information and assumptions available at the time.

The estimates that support this budget have used all the data and supporting information that the Council has at its disposal at this point in time. The principal financial assumptions made in the Budget are noted in this report and attached at Appendix C. Budget monitoring throughout the year will be an important tool in identifying, at an early stage, potential issues so appropriate action can be taken.

To date, the additional costs/reduced income arising from Covid-19 have largely been funded by additional financial support from the Government. It is therefore not an unreasonable assumption that any additional costs in 2021/22 will also be funded through additional grant over and above that already announced.

The delivery of the planned savings and major business projects **is critical** to the successful delivery of the Council's budget strategy. Current activity provides adequate assurance as to the deliverability of the 2021/22 budget with future year projections representing realistic planning assumptions which will be subject to review as part of the annual budget setting process. The MTFS is currently forecasting a significant financial shortfall for the financial year 2022/23.

The Budget has been prepared reflecting known service pressures and following thorough review by Service Managers of planned savings.

In light of the proposed use of the General Fund Balance in 2021/22, it will be necessary to re-assess the appropriate level of this balance over the period of the MTFS. It is proposed that this is carried out during 2021/22 taking into account actual use of this balance and updated MTFS forecasts.

Given the uncertainties detailed in this report, it is imperative that the Council maintains sufficient resources to cover any in-year unforeseen expenditure. A risk based approach to the consideration of the level of reserves is a component of the Council's overall risk management framework. Operational risks should be managed within Services' bottom line budgets and thus will not normally result in any further call on the Council's General Balances, as detailed in Section 16 above.

My assessment of the process that has been undertaken is that the calculations used in the preparation of the estimates for the Budget for 2021/22 are fair and robust and that reserves are adequate to reflect known circumstances and to be able to manage the stated uncertainties and risks that could realistically be anticipated at this point. All earmarked reserves are held for the purpose for which they are set up and are considered to be adequate to meet the requirements of those purposes when called upon based on the best information available as at the time of writing.

FENLAND DISTRICT COUNCIL

Summary of Revenue Estimates

		Current Approved Estimate 2020/21 £	Projected Outturn 2020/21 £	Estimate 2021/22 £
Service Summary	<i>As detailed in Appendix A(ii)</i>			
Growth & Infrastructure		1,826,850	1,847,290	1,561,380
Communities, Environment, Leisure & Planning		6,208,120	5,956,000	4,692,890
Resources & Customer Services		7,149,542	6,890,572	7,220,110
NET COST OF GENERAL FUND SERVICES		15,184,512	14,693,862	13,474,380
Corporate Items				
Contributions to/ (from) Earmarked Reserves		-568,164	-419,062	16,472
Contributions to Business Rates Reserve		3,419,600	3,417,430	-3,417,430
RTB/VAT Sharing Income		-20,000	-20,000	-20,000
Drainage Board Levies		1,499,520	1,499,520	1,539,950
Financing Charges - <i>Interest/Minimum Revenue Provision</i>		844,745	844,745	936,065
Investment Income and Property Funds Income		-55,000	-55,000	-190,000
New Homes Bonus		-1,118,635	-1,118,635	-874,916
A14 Contribution		32,000	32,000	32,000
Vacancy Factor (1.5%)		0	0	-170,000
Business Rates - net additional income above baseline <i>(government grants for reimbursement of reliefs, growth less levy payment)</i>		-1,382,611	-1,410,251	-1,309,135
Business Rates - reimbursement of additional Covid-19 reliefs		-3,301,480	-3,271,670	0
Business Rates Pool - FDC Share of Benefit		-252,191	-280,000	-300,000
Government Grant - Covid-19 General Grants for spending pressures		-1,794,262	-1,794,262	-634,010
Government Income Compensation Scheme Grant		-718,196	-613,244	-100,000
Lower Tier Services Grant		0	0	-157,697
Leisure Contract Support - Contingency		0	0	200,000
Corporate Adjustments		-3,414,674	-3,188,429	-4,448,701
Net Expenditure before CFF savings		11,769,838	11,505,433	9,025,679
<i>CFF Transformation Savings identified not yet implemented</i>		<i>0</i>	<i>0</i>	<i>-295,000</i>
Net Expenditure after CFF savings		11,769,838	11,505,433	8,730,679
Contribution from General Fund Balance		0	0	-842,254
NET EXPENDITURE after use of balances		11,769,838	11,505,433	7,888,425
Core Funding				
Business Rates Baseline Funding		-3,701,878	-3,701,878	-3,701,878
Business Rates Collection Fund Deficit(+)		311,349	311,349	3,620,772
Council Tax Collection Fund Deficit(+)/Surplus(-)		-128,264	-128,264	43,723
Council Tax		-7,765,610	-7,765,610	-7,851,042
Surplus(-)/Shortfall(+)		485,435	221,030	0

GROWTH AND INFRASTRUCTURE			
Service	2020/21 Current Approved Estimate £	2020/21 Projected Outturn £	2021/22 Original Estimate £
Direct Services			
Marine Services	99,350	62,200	105,750
Drainage (District)	6,000	6,000	3,000
Highways	296,300	294,790	128,200
Car Parks	177,100	182,700	184,200
Sewage Treatment Works	47,150	78,850	70,300
Parish Council Concurrent Functions	55,900	55,900	66,800
Miscellaneous (Clocks, Monuments)	7,750	6,750	3,750
Economic Estates	29,600	103,650	-12,550
Transport Development	87,500	64,600	96,100
Economic Development	166,100	145,900	170,550
Regeneration	53,200	54,700	0
HLF- High St Wisbech	36,800	36,800	30,980
Total Direct Services	1,062,750	1,092,840	847,080
Support Services			
Asset & Project Services	362,600	353,250	343,000
Fenland Hall	358,900	359,500	327,500
The Base	122,600	126,700	123,800
Total Support Services	844,100	839,450	794,300
Net Cost of Services	1,906,850	1,932,290	1,641,380
Less Support Services Recharges to Capital Schemes	-80,000	-85,000	-80,000
TOTAL GROWTH AND INFRASTRUCTURE	1,826,850	1,847,290	1,561,380

General Notes for Appendix A(ii):

1. Within all the Service Estimates detailed in Appendix A(ii), Support Services costs have not been reallocated with the exception of recharges to Capital Schemes.
2. Similarly, Capital Charges have not been reallocated as these 'costs' are reversed out within the Corporate Items section of the estimates, thereby having no impact on the Budget Requirement and Council Tax.
3. Estimates for 2021/22 include the assumptions on pay, expenditure and income detailed at Appendix C. In addition, staff cost allocations to services have been reviewed for 2021/22 and have resulted in costs being re-allocated to better reflect time spent on providing those services.
4. In addition, the estimates for 2021/22 include the implementation of the My Fenland transformation project which has moved costs from various services and consolidated them in Customer Services.

COMMUNITIES, ENVIRONMENT, LEISURE & PLANNING			
Service	2020/21 Current Approved Estimate £	2020/21 Projected Outturn £	2021/22 Original Estimate £
Direct Services			
Housing Strategy	145,800	145,800	147,150
Private Sector Renewals	120,720	120,720	121,110
Housing Standards	10,700	10,700	32,400
Care & Repair	29,440	29,440	29,440
CCTV	50,230	40,230	49,660
Safer Fenland	73,590	73,590	80,500
Licensing	-17,390	-22,590	-13,280
Housing Options	688,670	638,740	579,620
Controlling Migration	266,110	209,690	0
Community Development	136,870	159,650	139,610
Travellers Services	-49,750	-34,750	-68,370
Pollution Reduction	164,360	171,040	98,900
Public Health	212,390	206,920	233,390
Food Safety	127,820	112,260	148,780
Health and Safety	64,450	63,280	71,310
Refuse Collection - Domestic	1,297,670	1,307,570	1,339,930
Garden Waste	-64,440	-58,670	-176,690
Refuse Collection - Trade Waste	-45,430	-57,630	-140,460
Street Cleansing	833,400	834,930	830,410
Streetscene	196,500	191,560	206,430
Public Conveniences	23,180	22,980	14,910
Arts Development & Culture	4,090	4,090	12,000
Planning Policy	207,800	207,800	94,600
Development Management	-33,900	-36,500	-115,700
Building Control	54,000	54,000	54,000
Conservation	39,900	39,900	38,800
Planning Compliance	90,600	90,600	93,250
Technical Support	189,750	189,150	194,100
Leisure Centres	803,270	587,990	-34,700
Sports Development	68,480	104,260	83,630
Parks and Open Spaces	442,590	466,330	493,170
Cemeteries	-16,350	-11,800	-34,800
Markets and Fairs	8,740	10,090	-6,440
Community Events	53,710	48,080	76,490
Vehicle Workshop	30,550	36,550	19,740
TOTAL COMMUNITIES, ENVIRONMENT, LEISURE & PLANNING	6,208,120	5,956,000	4,692,890

RESOURCES AND CUSTOMER SERVICES			
Service	2020/21 Current Approved Estimate £	2020/21 Projected Outturn £	2021/22 Original Estimate £
Direct Services			
Miscellaneous Central Services	157,050	157,050	157,040
Unfunded Pension Costs/Apprenticeship Levy	916,000	916,000	999,000
Corporate Management	924,682	868,992	916,090
Council Tax Cost of Collection	380,900	316,880	209,320
Business Rates Cost of Collection	8,080	9,320	-3,950
Housing Benefits	479,060	477,110	220,870
ICT Direct Service Costs	749,190	703,790	711,150
Policy	241,800	240,900	248,600
Land Charges	-45,000	-50,200	-52,000
Elections & Electoral Registration	181,150	172,200	195,250
Democratic Services	491,750	472,000	530,050
Emergency Planning	118,840	119,450	71,060
Total Direct Services	4,603,502	4,403,492	4,202,480
Support Services			
Accountancy	546,730	550,740	552,370
Information & Communication Technology	444,200	418,700	529,570
Customer Services	785,350	761,230	1,109,990
Post & Reprographics	180,800	180,800	134,350
Internal Audit	60,900	58,200	109,200
Legal Services	258,750	248,050	265,650
Corporate Health & Safety	600	580	1,210
Human Resources	268,710	268,780	315,290
Total Support Services	2,546,040	2,487,080	3,017,630
TOTAL RESOURCES AND CUSTOMER SERVICES	7,149,542	6,890,572	7,220,110

APPENDIX B
(0% Council Tax increase)
Medium Term Financial Strategy

	Projected 2020/21 £000	Estimate 2021/22 £000	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000
Expenditure						
Service Expenditure/Income						
Gross Service Expenditure	24,378	22,329	21,835	22,201	22,660	23,128
Fees and Charges	-5,130	-5,994	-6,252	-6,336	-6,417	-6,498
Grants and Contributions	-5,405	-2,456	-1,252	-1,239	-1,219	-1,206
Recycling Credits	-943	-1,039	-1,047	-1,057	-1,067	-1,077
Total Net Service Expenditure	12,900	12,840	13,284	13,569	13,957	14,347
Corporate Items						
Corporate Expenditure/Savings						
Drainage Board Levies	1,500	1,540	1,571	1,602	1,634	1,667
Financing Charges - Interest on External Borrowing	496	531	565	565	565	565
Financing Charges - Current Capital Programme - MRP	349	405	513	513	513	513
Vacancy Factor (1.5%)	0	-170	-174	-178	-183	-188
A14 Upgrade - contribution	32	32	32	32	32	32
Leisure Contract Support - Contingency	0	200	0	0	0	0
CFF Transformation Savings identified not yet implemented	0	-295	-366	-366	-366	-366
	2,377	2,243	2,141	2,168	2,195	2,223
Corporate Income Items						
Contribution to(+)/from(-) Earmarked Reserves	-419	16	0	0	90	90
Contribution to Business Rates Reserve	3,417	-3,417	0	0	0	0
RTB/VAT Sharing Income	-20	-20	-20	-20	-20	-20
Investment and Property Fund Income	-55	-190	-290	-290	-310	-310
New Homes Bonus	-1,119	-875	-868	-853	-800	-800
Business Rates - net additional income above baseline	-1,410	-1,309	-1,379	-1,406	-1,434	-1,466
Business Rates - reimbursement of additional Covid-19 reliefs	-3,272	0	0	0	0	0
Business Rates Pool - FDC Share of Benefit	-280	-300	0	0	0	0
Government Income Compensation Scheme	-613	-100	0	0	0	0
Lower Tier Services Grant	0	-158	-158	-158	-158	-158
Contribution from General Fund Balance	0	-842	0	0	0	0
	-3,771	-7,195	-2,715	-2,727	-2,632	-2,664
Total Corporate Items	-1,394	-4,952	-574	-559	-437	-441
Gross Service/Corporate Expenditure	26,755	24,572	23,976	24,369	24,855	25,351
Gross Service/Corporate Income	-15,249	-16,684	-11,266	-11,359	-11,335	-11,445
Net Budget Requirement	11,506	7,888	12,710	13,010	13,520	13,906
Funding - NNDR/CT						
Business Rates Baseline Funding	-3,702	-3,702	-3,746	-3,806	-3,871	-3,944
Business Rates Collection Fund Deficit	311	3,621	184	184	0	0
Council Tax Collection Fund Surplus(-)/Deficit	-128	44	47	47	-50	-50
Council Tax <i>(increases of 0% in 20/21 onwards)</i>	-7,766	-7,851	-7,949	-8,046	-8,144	-8,242
Total Funding - NNDR/CT	-11,285	-7,888	-11,464	-11,621	-12,065	-12,236
Surplus(-)/Shortfall(+)	+221	0	+1,246	+1,389	+1,455	+1,670

Summary						
Total Gross Expenditure	26,755	24,572	23,976	24,369	24,855	25,351
Funded by:						
Fees and Charges	-5,130	-5,994	-6,252	-6,336	-6,417	-6,498
Grants and Contributions	-5,405	-2,456	-1,252	-1,239	-1,219	-1,206
Recycling Credits	-943	-1,039	-1,047	-1,057	-1,067	-1,077
New Homes Bonus	-1,119	-875	-868	-853	-800	-800
Investment Income, VAT/RTB	-75	-210	-310	-310	-330	-330
Contribution to(+)/from(-) Earmarked Reserves	2,998	-3,401	0	0	90	90
Income Compensation Scheme	-613	-100	0	0	0	0
Lower Tier Services Grant	0	-158	-158	-158	-158	-158
Contribution from General Fund Balance	0	-842	0	0	0	0
Retained Business Rates	-8,353	-1,690	-4,941	-5,028	-5,305	-5,410
Council Tax	-7,894	-7,807	-7,902	-7,999	-8,194	-8,292
Total Funding	-26,534	-24,572	-22,730	-22,980	-23,400	-23,681
Surplus(-)/Shortfall(+)	+221	0	+1,246	+1,389	+1,455	+1,670

Assumptions built into Budget and Medium Term Financial Strategy (MTFS)

Within the forecasts are a number of assumptions which are necessary to produce the overall budget strategy. However, there is an element of risk associated with this process although the aim is to mitigate these risks as detailed in section 18 of the main report.

The main assumptions are as follows:

- 0% Council Tax increase for 2020/21 and thereafter (1% increase generates around £78k of resources and 1.97% around £154k of resources);
- 1.10% increase in Council Tax base in 2021/2022 (Tax-base 30,143) and 1.20% thereafter (increase of 375 Band D equivalent properties per annum);
- Inflation (CPI) increases in Retained Business Rates income (0% for 2021/22, and in line with Treasury assumptions for 2022/23 onwards, 1.2% for 2022/23 rising to 2% for 2025/26);
- Inclusion of this Council's share (£300k) of the potential benefit arising from the continuation of the Cambridgeshire Business Rates Pool in 2021/22 only. Potential benefit from the Pool in future years will be dependent on the scheme design of the new Business Rates Retention System expected to be implemented from 1 April 2022.
- 0% pay award for 2020/21 with the exception of a minimum of £250 increase for those earning less £24,000. 2% increase in 2022/23 (£230k cost) and thereafter together with an allowance for pay increments of around 1% p.a. (£115k cost) reflecting the continuing impact of the pay grades re-modelling following the national pay award agreement effective from April 2019;
- Employer's Pension Contributions – following the triennial valuation as at 31.03.2019, the rate for 2021/22 is to remain the same as 2020/21 (17.4% of salary with additional past deficit lump sum payment of £896k). For 2022/23 the contribution rate remains at 17.4% with a lump sum payment of £978k, representing an overall increase of 1% p.a. in total contributions. For 2023/24 onwards, following the next triennial valuation, further increases have been assumed in line with the current triennial valuation;
- Inclusion of a vacancy factor for 2021/22 onwards, equivalent to a reduction in staff costs of 1.5% (£170,000 in 2021/22);
- 0% general inflation for the period of the MTFS;
- Specific allowance for inflation where required eg: business rates, external contracts, energy and water, drainage board levies;
- Investment interest rates to stay at current rates until first quarter of 2024 when market rates are forecast to begin rising slowly;
- Investment income includes an assumed £5m investment in property funds during 2021/22 (additional £150k income net of costs) with the full year impact from 2022/23 onwards (additional £250k income per annum);
- Assumptions regarding forecast income levels from fees and charges have been included. The base position for 2021/22 has been initially set at pre-Covid-19 levels. In addition, fee increases (where applicable) together with a review of activity levels have determined the current estimates;
- The New Homes Bonus for 2021/22 onwards has been included as detailed in paragraph 4.3 of the report.

- For 2021/22, additional support for the Leisure Management contract has been included. This consists of no Management Fee being received for April-June 2021 (£114k) off-set by the appropriate recovery from the Income Compensation Scheme (-£81k) which the government has announced will continue into the first quarter of 2021/22. In addition, a sum of £155k has been included for additional cash support for April-June 2021 with a contingency of £200k included for the period July 2021 onwards.
- In addition, for 2021/22, additional provision has been included for a continuation of the high demand for bed and breakfast (£100k) and temporary accommodation (£250k) for the homelessness and rough sleeper's service.
- For 2021/22 onwards, an amount of £50k has been included as a recharge to Fenland Future Limited to reflect the use of FDC officer time on the company's behalf. This amount could vary depending on the amount of time and types of activities being carried out for the company.

CAPITAL PROGRAMME AND FUNDING 2020 - 2024

	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Capital Programme (excluding Commercial and Investment Strategy Schemes)	4,519	17,970	6,306	1,635
Commercial and Investment Strategy Schemes	0	10,000	10,000	5,000
CURRENT FORECAST EXPENDITURE	4,519	27,970	16,306	6,635

FORECAST RESOURCES AVAILABLE

Capital Grants	2,619	14,449	5,443	950
Usable Capital Receipts - In Year	60	265	100	100
Reserves used in year to fund Capital	353	508	100	0
Section 106s and Other Contributions	207	108	12	0
Borrowing (Internal and Prudential)	1,280	12,640	10,651	5,585
Total Forecast Resources	4,519	27,970	16,306	6,635

CAPITAL PROGRAMME SUMMARY 2020/21 - 2023/24

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
Leisure Centres								
1 Condition Survey Improvements	95	365	75	75	610	610		£172k R&M Reserve
Regeneration Programmes								
2 Fenland Renaissance and Place Shaping	16				16	16		
3 Heritage Lottery Fund - Non-FDC Properties	269	369			638	81	557	£557k HLF Grant. £63K S106
4 Heritage Lottery Fund - 24 High Street, Wisbech	31				31	31		
5 Railway Station Master-Planning	748	3,834			4,582	82	4,500	£4,500k CPCA Grant, £82k S106
6 Whittlesey Flood Warning Signs	66				66		66	CPCA £58k, Whittlesey Town Council £8k
7 Future High Street Fund, March		3,954	4,493		8,447		8,447	£2,000k CPCA, £6,447k MHCLG Future High Streets
Cemeteries								
8 Manea Chuchyard		15			15	15		
9 Remedial Works in Closed Cemeteries		53	25		78	78		
Highways								
10 Category 2 Street Lights - FDC Lights	200	120			320	320		£13k Invest to Save Reserve
11 Street Name Plates/District Facilities Signage	30				30	30		
Street Light Improvements - Parishes (Contribution to Cat 2								
12 Replacements)	38				38	38		£38k Capital Contribution Reserve
Car Parks								
13 Church Lane, Chatteris	20				20	20		
Office Accommodation								
14 Fenland Hall - Repairs and Renewals	120	100	100	100	420	420		
Environment								
15 Replacement Littter Bins	88	83			171	171		
Port								
16 Boat/Vessels - Replacement Deck, Hull and Engines	54	30			84	84		
17 Yacht Harbour Improvements	17				17	17		
18 Wisbech Port Structural Works	265				265	265		
19 Wisbech Port Fender Piles	100				100	100		
Sub Total	2,157	8,923	4,693	175	15,948	2,378	13,570	

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
Brought Forward	2,157	8,923	4,693	175	15,948	2,378	13,570	
Parks and Open Spaces								
20 West End Park, March - Replace Skate Ramps	21				21	21		
21 West End Park, March - Park Improvements	50	35			85	8	77	£75k Cambs CC, £2K March TC
22 Parks, Play Areas and Open Space - Chatteris		60	40		100	100		£6k S106 money
23 Parks, Play Areas and Open Space - Doddington		45			45	45		£21k S106 money
24 Parks, Play Areas and Open Space - Parson Drove		30			30	30		£30k S106 money
25 Parks, Play Areas and Open Space - Whittlesey	136				136	92	44	£92k S106 money £44k FCC Grant
26 Parks, Play Areas and Open Space - Wisbech		20	20		40	40		£32k S106 money
Vehicles and Plant								
27 Vehicles	203	337	141	260	941	941		
ICT System Replacement Programme & Upgrades								
28 Replacement & Upgrade Programme	269	550	250	100	1,169	1,169		£700k Management of Change Reserve
Improvement of Assets								
29 Sewage Treatment Works Refurbishment	70	520	200	150	940	940		
30 Birch Fen Silt Removal and Outfall Maintenance		25			25	25		
31 March Moorings Renewals		12	12		24	24		
32 Hostel Roof Renewal		28			28	28		
33 Lattersley Nature Reserve - Capping Layer		40			40	40		
34 Energy Efficiency Improvements to Clarion Properties	125	4,368			4,493		4,493	£4493k BEIS Decarbonisation Fund Grant
Economic Estates								
35 Replacement of AV Equipment at Business Centres		50			50	50		
36 South Fens Business Park Expansion	20	1,977			1,997	1,000	997	£997k CPCA 'Business Space' Funding
Community Safety								
37 Camera Replacements	38				38	38		£38k CCTV Reserve
Private Sector Housing Support								
38 Private Sector Renewal Grants	50	40	40	40	170		170	£170k Govt Grant
39 Disabled Facilities Grants	1,380	910	910	910	4,110		4,110	£4110k Govt Grant
Total - Approved Programme	4,519	17,970	6,306	1,635	30,430	6,969	23,461	

FENLAND DISTRICT COUNCIL
CAPITAL STRATEGY 2021/22-2023/24

1. OVERVIEW AND CONTEXT

- 1.1 The Council has established statutory and regulatory responsibilities for the management of its financial affairs. These responsibilities encompass revenue and capital expenditure. The specific responsibilities of full Council, the Cabinet, the Investment Board, Corporate Management Team (CMT) and the Council's appointed Section 151 Officer are defined within the Council's constitution.
- 1.2 The Council regularly updates its Medium Term Financial Strategy (MTFS). The MTFS provides a framework for setting the Council's annual revenue budget and updating the Council's three-year capital programme. The MTFS sets out the primary assumptions underpinning the assessment of the resources available to the Council and anticipated service budgets over the coming five financial years.
- 1.3 Whilst local authorities are required to set a balanced revenue budget, legislation permits local authorities to obtain credit and therefore fund their capital programmes from borrowing. Individual authorities are required to have regard for the Prudential Code published by the Chartered Institute of Public Finance and Accountancy. The Prudential Code requires authorities to ensure:
- all capital expenditure and investment plans are affordable;
 - all external borrowing and long-term liabilities are within prudent and sustainable levels;
 - treasury management and other investment decisions are taken in accordance with professional good practice; and
 - authorities can demonstrate themselves to be accountable by providing a clear and transparent framework.
- 1.4 Historically, this Council has discharged its responsibilities under the Prudential Code by ensuring that the Treasury Management Strategy, which is approved annually by full Council, is prepared with reference to the latest capital programme. The Capital Programme is itself developed with explicit consideration of the extent to which proposed capital investment is affordable, prudent and sustainable given the resources available to the Council as set out in the MTFS.

- 1.5 Following an update to the Prudential Code in December 2017, local authorities are now required to have a Capital Strategy. The introduction of this requirement acknowledges that individual authorities will each have their own approach to assessing priorities for capital investment, the amount the Authority can afford to borrow and the Authority's appetite to risk.
- 1.6 This strategy sets out in a single document the long term context in which capital expenditure and investment decisions are made and establishes that the Council has arrangements in place to ensure it gives due consideration to risk, reward, and impact on the achievement of priority outcomes. The Strategy is updated annually and reviewed by the Council's Corporate Governance Committee prior to being approved by Full Council alongside the annual budget.

2. CAPITAL EXPENDITURE

- 2.1 Capital expenditure incorporates a range of different types of financial transaction which the Council might enter into. What these transactions have in common is that they relate to investments decisions which impact on the Council and its stakeholders over a period which extends beyond the financial year in which the transaction is entered into. The Council's appointed S151 Officer ultimately has responsibility for determining whether expenditure is capital in nature in accordance with relevant regulation and statute.

Role and Purpose of the Asset Management Plan

- 2.2 The Council has developed an Asset Management Plan in accordance with acknowledged best practice. This document provides a strategic framework for managing the Council's current portfolio of land and buildings ensuring that officers and elected members can have confidence, in the long-term, that the Council has the land and property needed to fulfil the pledges set out in the Council's Business Plan.
- 2.3 The Asset Management Plan incorporates oversight of operational and non-operational property owned by the Council. Operational assets are those assets held by the Council to enable the Council, or its partners, to deliver those services which are either statutory in nature or provided on a discretionary basis to the extent that providing those services is consistent with the strategic objectives of the Council. Non-operational assets are those assets which are not directly used for the purposes of service delivery but are held to either provide the Council with a return on investment, either through rental income, appreciation in the value of the asset or the potential contribution that holding the asset makes to the Council's wider corporate objectives, e.g. taking forward opportunities to regenerate and develop the local economy.
- 2.4 Responsibility for the Asset Management Plan rests with the Council's Assets and Projects team which reports to the Council's Corporate Director (Growth and Infrastructure). The Assets and Projects team regularly appraise the condition of the Council's property portfolio to determine the revenue and capital resources required to ensure the portfolio continues to meet the needs of Service Managers. When the needs of services managers change the Assets and Projects team will assist in determining the impact on the property portfolio, including the resources required to meet those needs. The Assets and Projects team recognise that the Council's property needs are unlikely to remain static and the past cost of maintaining a Council asset is not necessarily a reliable indicator of future costs. Forward projections regarding the resources to be allocated to asset management recognise the

interaction between revenue and capital expenditure in determining the Council's cost base.

- 2.5 The capital resources required to meet investment needs identified as part of the Asset Management Plan are routinely assessed and anticipated capital expenditure is profiled over the financial years when it is expected to be incurred. On at least an annual basis capital schemes identified as part of the Asset Management Plan are presented to a meeting of the Council's Corporate Asset Team to determine when and if they should be incorporated into the Council's Capital Programme.

Investment in Vehicles, Plant, Equipment and IT

- 2.8 The Council has nominated service managers who are responsible for the vehicles, plant and information technology assets in use within the Council. These assets all have an expected useful economic life informed by an assessment by the nominated manager. The need to allocate capital resources to fund the replacement of these assets at the end of their useful life is assessed annually by the Council's Corporate Asset Team. There is also an annual appraisal of business cases relating to proposals to invest in additional equipment not reflected in the programme of rolling replacements.

Role and Function of the Corporate Asset Team

- 2.9 The Corporate Asset Team is an officer-led group which meets bi-monthly under the Chairmanship of the relevant Corporate Director. On behalf of the Council's Corporate Management Team, the Corporate Asset Team assumes responsibility for providing a strategic oversight in respect of all matters pertaining to asset management.
- 2.10 All proposed changes to the Council's three-year capital programme are subject to review by the Corporate Asset Team prior to being considered by Corporate Management Team, the Cabinet and Full Council. Any scheme which is not already incorporated into the Council's Asset Management Plan will only be considered for inclusion in the Capital Programme if the Officer proposing the scheme can demonstrate, with appropriate evidence, one or more of the following:
- there is a statutory obligation for the Council to incur the capital expenditure proposed;
 - the proposed capital expenditure relates to works deemed necessary on the grounds of health and safety;
 - capital expenditure is proposed to protect a Council asset and reduce the risk of excessive revenue expenditure being incurred in upcoming financial years;

- the proposed capital expenditure will generate income, either of a revenue or capital nature, in excess of the capital expenditure which is expected to be incurred including any financing costs; and/or
 - the proposed capital expenditure will (after including financing costs) reduce revenue expenditure incurred by one or more of services in future financial years.
- 2.11 The capital financing regulations permit the Council to treat as capital expenditure certain types of transaction which do not result in the acquisition of a physical asset by the Council. These transactions can be high-volume, small value transactions such as the awarding of Disabled Facilities Grants which are currently funded from monies received as part of Cambridgeshire County Council's Better Care Fund allocation. Such transactions do not require specific approval providing the nature and purpose of the expenditure has been approved as part of the Capital Programme.
- 2.12 Any proposals to incur capital expenditure which do not lead to the recognition of a physical asset where the expenditure proposed exceeds £10,000 but does not fall within the scope of the Council's Commercial and Investment Strategy will be considered at a meeting of CMT. If approved by Cabinet, approval will be sought at a meeting of Cabinet before being considered at full Council if necessary. Possible examples include, but are not restricted to:
- granting loans to third parties (for reasons not linked to the objectives of the Commercial and Investment Strategy);
 - providing grant-funding to a third party which enables that third party to undertake expenditure which would have been capital in nature had it been undertaken by the Council.

Role and Function of the Investment Board

- 2.13 During the 2019-20 financial year the Council initiated the development of a Commercial and Investment Strategy for the Council. The current version of the Strategy was approved by full Council on 9 January 2020.
- 2.14 The Commercial and Investment Strategy was developed in recognition of the investment opportunities available to the Council acknowledging that utilising the Council's powers to invest could bring substantial benefits not only to the Council but also to the wider District and its residents. The Capital Strategy has been updated to take account of the changes in the Council's arrangements for determining its capital priorities which arise from the implementation of the Commercial and Investment Strategy. This is explained in more detail in section four of this document.

- 2.15 Following the approval of the Commercial and Investment Strategy Cabinet approved the establishment of a sub-committee known as the Investment Board. The Investment Board has initially been allocated a maximum budget of £25M to take forward capital schemes which facilitate the achievement of the objectives set out in the Strategy.
- 2.16 The Investment Board undertakes its own appraisals of proposed capital schemes. The appraisal of such schemes will be separate from and in addition to the proposals for new capital schemes considered at meetings of Corporate Asset Team which follow the process outlined in paragraph 2.10 of this strategy. The Investment Board has delegated powers to approve schemes providing the maximum budget is not exceeded.
- 2.17 Capital schemes which fall within the remit of the Investment Board include the acquisition of share capital or the granting of loan funding to companies and/or partnerships in which the Council has an interest. The decision about whether to establish a company or enter into a partnership rests with Cabinet. The Investment Board is responsible for the approval of the business plans of any entities created as a result of a decision taken by Cabinet. Approval of the relevant business plan will precede the allocation of capital funds.
- 2.18 On 9 June 2020 Cabinet approved a business case for the establishment of a Local Authority Trading Company. Following that meeting the Council formally registered Fenland Future with Companies House (Company No. 12659496). Directors have been appointed to the Board of Fenland Future and the Board has held its first meeting.

3 DEBT AND BORROWING AND TREASURY MANAGEMENT

- 3.1 Day-to-day responsibility for the Treasury Management function rests with the Chief Finance Officer. This section of the strategy reproduces key information taken from the Treasury Management Strategy Statement. The profile of borrowing linked to the Commercial and Investment Strategy shown below is indicative. The operational boundary and authorised limits shown in Tables 3 and 4 have been determined with reference to the budget allocated to the Investment Board referred to in paragraph 2.15 above. This recognises that the Investment Board could invest the entirety of the £25M in one financial year if this were deemed to be appropriate.

Key Considerations relating to Treasury Management

- 3.2 The tables below set out the Council's Investment and Debt positions with forward projections.

Year End Investments	2020/21 Revised Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£000	£000	£000	£000
Fund balances / reserves	11,315	5,860	5,750	5,750
Expected investments	25,000	15,750	15,300	15,300

Table 1: Year End Investment Balances projected over the period 1 April 2020 – 31 March 2024

Year-End Debt	2020/21 Revised Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£000	£000	£000	£000
Debt at 1 April	7,800	7,800	21,060	30,775
Expected change in debt to fund capital programme (excluding Commercial and Investment Strategy schemes)	0	3,260	(285)	(285)
Borrowing to fund Commercial and Investment Strategy schemes	0	10,000	10,000	5,000
Other long term liabilities (OLTL)	406	243	106	23
Expected change in OLT	(163)	(137)	(83)	(23)
Actual debt at 31 March	8,043	21,166	30,798	35,490

Table 2: Year End Debt and Net Investment projected over the period 1 April 2020– 31 March 2024

- 3.3 At 1 April 2020 the Council's Debt position comprised other long-term liabilities relating to finance leases of £406k and external borrowing of £7.8m. These loans were taken out at prevailing market rates between 1994 and 2004. The term of these loans is between 25 and 50 years.

Following the transfer of the Council's Housing Stock in 2007, which generated a significant capital receipt for the Council, the Council has retained investment balances which exceed the amounts borrowed. However, changes in prevailing interest rates since the loans were taken out mean that a high premium would be payable by the Council if it were to seek to repay any of the loans early. The premiums to be applied are considered to be prohibitively high for early redemption to be regarded as a reasonable treasury management decision. The Council continues to keep this situation under review with the support of its appointed treasury management advisors. However, for the purposes of this strategy, it has been assumed that external borrowing of £7.8m brought forward, as at 1 April 2020, will continue to be carried forward due to the current historically low interest rates.

3.4 Regulation requires the Council to determine, as part of the Treasury Management Strategy, the maximum external debt position for the upcoming three financial years. This is known as the Council's authorised limit. Additionally, the Council is required to set an operational boundary. The purpose of the operational boundary is to set a threshold for external borrowing which the Council would not expect to exceed in the ordinary management of its affairs. Sustained breaches of the operational boundary would be indicative that the Council could be at risk of exceeding its authorised limit.

3.5 The current authorised limits and operational boundaries for the period covered by this strategy are set out in the table below

Operational Boundary	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Debt	12,000	12,000	12,000	12,000
Other long term liabilities	1,000	1,000	1,000	1,000
Commercial Activities/ Non-Financial Investments	25,000	25,000	25,000	25,000
Total	38,000	38,000	38,000	38,000

Table 3: Operational Boundary over the period 1 April 2020 – 31 March 2024

Authorised Limit	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Debt	17,000	17,000	17,000	17,000
Other long term liabilities	1,000	1,000	1,000	1,000
Commercial Activities / Non- Financial Investments	25,000	25,000	25,000	25,000
Total	43,000	43,000	43,000	43,000

Table 4: Authorised Limit over the period 1 April 2020 – 31 March 2024

- 3.6 Table 2 above indicates that the Council's Actual Debt position is expected to increase over the period covered by this strategy. This reflects an anticipated decision to undertake external borrowing to fund the expenditure commitment set out in the capital programme. In accordance with the Council's constitution, any decision about when, how much and from where to borrow will be made by the appointed S151 Officer.
- 3.7 Regulations prevent the Council from borrowing in advance of need. However, there is no requirement for the Council to draw on investment balances to fund its capital commitments prior to undertaking external borrowing. To manage interest rate effectively, the Council will continue to consider medium and long-term forecasts of interest rates provided by its Treasury Management advisors to project likely returns from the investment of surplus funds and the financing costs associated with external borrowing. This approach recognises that postponing long-term borrowing to future years could be more expensive over the life of the loan if interest rates were to increase.
- 3.8 The Council is required by statute to make arrangements to ensure that there is provision to repay as part of the Council's revenue budget any borrowing undertaken to finance the capital programme. This is known as the Minimum Revenue Provision (MRP) and the Council is required to approve its MRP policy on an annual basis:

	Projected Minimum Revenue Provision £000
2020/21	349
2021/22	436
2022/23	582
2023/24	610

Table 5: Projected Minimum Revenue Provision over the period 1 April 2020– 31 March 2024

- 3.9 Regulation requires the Council to ensure that its MRP policy results in prudent levels of MRP. The Council's MRP policies are explained in full as part of the Treasury Management Strategy Statement which is approved by Full Council annually. Specific provisions are in place to explain the approach taken to determine MRP for schemes taken forward as part of the Commercial and Investment Strategy.
- 3.10 At the present time no assumptions have been made regarding the MRP which would be due on schemes taken forward as part of the implementation of the Commercial and Investment Strategy. These assumptions will be updated as schemes are taken forward.
- 3.11 In recognition of the inherent volatility of commercial investment the Council has established an Investment Strategy reserve. One of the purposes of that

reserve is that it should hold surpluses in respect of those years where actual income generated from commercial investments exceeds budget estimates. This can help reduce the impact on the General Fund of any unanticipated shortfall which might arise in future years.

4. COMMERCIAL ACTIVITY

4.1 The Council has a long-standing portfolio of non-operational assets which it manages to secure a rental income and income from fees and charges earned from providing facilities for conferences and meetings. The main non-operational assets held by the Council are:

- Boathouse Business Centre, Wisbech – Office Units, Conference and Meeting Space
- South Fens Business Centre, Chatteris - Office Units, Conference and Meeting Space
- South Fens Enterprise Park, Chatteris – Light Industrial Units for Small Business Use

4.2 Rents generated from the lease to third parties of areas of land, buildings and/or infrastructure held by the Council principally for the purposes of service delivery, i.e. premises at Fenland Hall, the Base and Wisbech Port have been assessed by officers to fall outside the scope of commercial activity in the context of this section of the Council Strategy. This reflects the fact that the motive for holding these assets is not principally commercial in nature.

4.3 Responsibility for assessing the need for capital investment in the current portfolio of non-operational assets, reflecting those non-operational assets held as at 31 March 2020 currently rests with the Corporate Asset Team in accordance with the arrangements set out in paragraph 2.10 above.

4.4 During the 2019-20 financial year the Council approved a Commercial and Investment Strategy. The Council has established an Investment Board to take forward capital schemes which deliver against objectives set out in part two (commercial property investment) and part three of the Strategy (commercial investment and regeneration).

4.5 The Commercial and Investment Strategy sets out the assessment criteria to be used for investments undertaken in accordance with part two of the strategy. This requires the Council to determine the net yield associated with each proposed acquisition, after taking account of financing costs, including MRP, and to assess the particular circumstances relating to each acquisition to understand the risks the Council is subject to and possible sources of mitigation. The Council is cognisant of the recent changes to the regulations which govern the basis on which authorities can take out loans from the

Public Works Loan Board and specifically preclude authorities who plan to acquire investment assets primarily for yield from accessing PWLB loans. Reference to the current regulations has been incorporated into the Investment Board's decision-making processes.

- 4.6 The Investment Board is a sub-committee of the Cabinet. The Council's constitution requires that the committee's membership includes the Leader (who Chairs the Investment Board), the Portfolio Holder for Finance, as well as one other member of Cabinet appointed by the Leader or two members of Cabinet if the Leader also has the Finance Portfolio. The constitution requires the Chair of the Investment Board to ensure the Investment Board meets a minimum of three times each year. The Chair of the Overview and Scrutiny Panel will attend the Investment Board's meetings in an observational capacity.
- 4.7 The Investment Board is a decision-making body and its functions include the determination of investment appraisals and business cases submitted for its consideration. A report on the discharge of these functions is provided to the Cabinet twice a year.
- 4.8 The Investment Board also has responsibility for monitoring the performance and financial delivery of those appraisals and business cases it agrees to fund. The Section 151 Officer ensures that reports on the activities of the Investment Board prepared for consideration by Cabinet include details about the impact of the Board's activities on the overall financial position of the Council.
- 4.9 Statutory guidance published by MHCLG requires the Council to:
- assess and disclose publicly the extent to which it is dependent on profit-generating investments to deliver a balanced revenue budget over the life of the medium-term financial strategy; and
 - to set limits for gross debt and commercial income as a proportion of the Council's budgeted net service expenditure over the life of the medium-term financial strategy.

Commercial Income as a proportion of net service expenditure

- 4.10 The current limit for budgeted commercial income as a proportion of net service expenditure has been set at 20% (equivalent to commercial income of £2.313M per year based on 2019/20 budgeted net service expenditure).
- 4.11 The Investment Board was established in January 2020 and it is yet to approve any capital schemes. Consequently, the Council currently only has a very limited reliance on its non-operational assets to generate income to balance the Council's budget. This is shown in the table 6 below:

Budgeted Income from pre-2020/2021 non-operational assets (Economic Estates - Revised Budget 2020/21)	£813,000
Net Service Expenditure	£11,305,000
Commercial Income as a % of Net Service Expenditure	7.2%
Approved Limit	20%

Table 6: Commercial Income as a proportion of Net Service Expenditure

Gross Debt as a proportion of net service expenditure

4.12 The current limit for gross debt as a proportion of net service expenditure has been set at 375% (equivalent to gross debt of £42.393M per year based on 2020/21 budgeted net service expenditure).

4.13 As explained in paragraph 3.3 above whilst the Council has not undertaken external borrowing in recent years it does have £7.8M of external debt which was taken out at prevailing market rates between 1994 and 2004. This impacts on the calculation of gross debt as a proportion of net service expenditure as follows:

Gross Debt expected as at 31 March 2021	£7,800,000
Net Service Expenditure (2020/21)	£11,305,000
Gross Debt as a proportion of Net Service Expenditure	69%
Approved Limit	375%

Table 7: Gross Debt as a proportion of Net Service Expenditure

Commercial Property Investment – Loan to Value Assessment

4.14 An important consideration when appraising the impact of the Council's commercial and investment strategy on the Council is to consider the extent to which borrowing undertaken by the Council to fund investment in property is matched by the underlying value of the assets purchased.

4.15 When assets are first purchased it is common for the directly attributable costs associated with acquiring the asset, including applicable stamp duty, to exceed the realisable value of the asset. Consequently, if a property purchase is funded from borrowing this may mean in the early years of the Council's ownership the fair value of property owned by the Council may be less than the borrowing undertaken by the Council to fund the acquisition. Over time, if property prices appreciate this will have a positive impact on the Council's loan to value ratio.

4.16 The Council will obtain valuations of all its commercial investment properties annually and disclose the Loan to Value ratio as part of each year's capital

strategy. Currently the Council does not hold any investment properties which have been funded from borrowing.

Borrowing in Advance of Need

- 4.17 Statutory guidance on Local Authority Investments and the Prudential Code published by CIPFA requires that authorities must not borrow in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Government has clarified that this requirement extends to the use of external borrowing to fund the purchase of non-financial investments, including investment properties.
- 4.19 As noted in paragraph 2.15 above the Council's Investment Board has been allocated a budget of £25M to take forward the Council's Commercial and Investment Strategy. The Council's Commercial and Investment Strategy provides for two types of investments to be taken forward: part two of the strategy sets out the process to be followed for commercial property investment and part three is concerned with investments for regeneration and place-shaping.
- 4.20 The Council will need to undertake external borrowing if it is to utilise the full budget of £25M which has been allocated by Full Council.
- 4.21 The statutory guidance recognises that the Council can disregard the provisions of the Prudential Code and the statutory guidance providing it explains its reasons for doing so and its policies for investing the extra amounts borrowed and the arrangements in place to manage the associated risks. However, the decision taken by government in November 2020 to preclude Councils from accessing loans from the Public Works Loans Board if they plan to acquire investment assets primarily from yield limits Councils' opportunities to take forward proposals which would previously have been possible.
- 4.22 The launch of the Council's Commercial and Investment Strategy represents a key element of the Council's 20/21 Business Plan. This Council believes that investment in property is an appropriate and proportionate response to the Council's current financial position. Exploiting opportunities presented by commercial property activity, focussing on assets which can be funded from PWLB borrowing, including schemes to increase the supply of housing and facilitate regeneration of the District, could provide this Council with a reliable long-term source of revenue income to fund the provision of Council services. Securing such an income stream could therefore help achieve the reduction in net expenditure necessary to meet the financial gap identified in the Council's Medium Financial Strategy. This approach also further diversifies the Council's sources of income recognising that upcoming reforms to the business rates system and the implementation of the fair funding review could adversely impact on the Council's financial position.
- 4.23 The Commercial and Investment Strategy sets out in detail the appraisal and decision-making approach the Investment Board is required to follow

before any investment in commercial property is undertaken. This ensures that appropriate governance arrangements are in place and the Council has due regard to the risks associated with investments both individually and in the context of the overall level of risk presented by the Council's current portfolio.

- 4.24 Active monitoring of the portfolio will take place throughout the year with reference to the indicators included in this strategy together with appropriate commentary relevant to the particular investments held by this Council.

5. KNOWLEDGE AND SKILLS

- 5.1 The Council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.
- 5.2 Appropriate external advice will be engaged from suitably qualified professionals as and when required. This will apply particularly in those circumstances when the Council needs to undertake independent due diligence prior to making a decision regarding a proposed investment. Additionally, the Council will continue to enlist the year-round support of external Treasury Management advisors. This support is currently provided by Link Asset Services.
- 5.3 Internal and external training is offered to members to ensure they have up to date knowledge and expertise to understand and challenge capital proposals brought forward for approval and interpret the treasury management policies developed by officers in conjunction with relevant professional advisors.

Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/22

1 Introduction

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's assessment of its risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure) and are separate from the day to day treasury management activities.
- 1.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and pursuit of optimum performance consistent with those risks."

2 Capital Strategy Reporting Requirements

- 2.1 The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities to prepare an additional document, a Capital Strategy which will provide the following:
 - a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed; and
 - the implications for future financial sustainability.
- 2.2 The aim of the Capital Strategy is to ensure that all elected members on full Council fully understand the overall long-term policy objectives and resulting capital strategy

requirements, governance procedures and risk appetite. The Capital Strategy for 2021/22 is attached as Annex A.

- 2.3 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the articulation of the Council's arrangements to identify, pursue and monitor commercial investments in accordance with the approach set out in the approved Commercial and Investment Strategy. The capital strategy explains:
- The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The expected income, costs and resulting contribution;
 - The debt related to the activity and the associated interest costs;
 - The payback period (incorporating but not restricted to the MRP policy);
 - For non-loan type investments, the cost against the current market value;
 - The risks associated with each activity.
- 2.4 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.
- 2.5 Where the Council has borrowed to fund any non-treasury investment, i.e. an investment where the principal motivation for making the investment is to profit from the sums invested there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to. If any non-treasury investment sustains a loss during the final accounts and/or audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy. In addition, on 25.11.20, the Chancellor announced a prohibition was to be introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme.
- 2.6 The Council's Commercial and Investment Strategy was approved in January 2020. At its meeting on 20 February 2020 Council approved the allocation of £25M for the purpose of taking forward schemes linked to the Commercial and Investment Strategy. This allocation continues to be reflected in the Council's capital programme and the Council's plan is to fund the allocation from a combination of reserves and external borrowing. The Council's Commercial and Investment Strategy provides the Council, through its Investment Board, with the flexibility to take forward a range of different types of non-treasury investments, including the facility to deliver projects through the use of Fenland Future Limited, the Council's wholly-owned Trading Company.
- 2.7 The Council's Minimum Revenue Provision policy has been updated so, as required by regulation, Full Council can approve its approach to charging MRP on any non-treasury investments before any transactions take place.
- 2.8 Section 4 of the Council's Capital Strategy explains that, as part of the appraisal process, the S151 Officer will provide the Investment Board with details of how the proposed investment will impact on the Council's financial position. The cumulative impact of approved investments on the Council's medium-term financial position will be reflected in the information presented in future treasury management reports to Audit and Risk Management Committee, Cabinet and Full Council as per the reporting requirements outlined below.

3 Treasury Strategy Reporting Requirements

3.1 The Council is required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by the Audit and Risk Management Committee and Cabinet before being recommended to the Council.

3.2 **Prudential and Treasury Indicators and Treasury Strategy** (this report), the first and most important report is forward looking and covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and
- an Investment Strategy (the parameters on how investments are to be managed).

A Mid-Year Treasury Management Report - This will update Members with the progress of the capital position, amending prudential indicators as necessary and whether any policies require revision.

An Annual Treasury Report - This is a backward looking review document and provides details of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

3.3 The Strategy covers two main areas:

Capital issues

- the capital expenditure plans and associated prudential indicators;
- the MRP policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.

4 Capital Prudential Indicators 2021/22 to 2023/24

4.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

4.2 The capital expenditure prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of this budget

cycle. Commercial activities/non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

- 4.3 The table below summarises the capital expenditure plans and how these are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital Programme	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Forecast Capital Expenditure	4,519	17,970	6,306	1,635
Commercial and Investment Strategy Schemes	0	10,000	10,000	5,000
TOTAL	4,519	27,970	16,306	6,635
Financed by:				
Capital Grants	2,619	14,449	5,443	950
Capital Receipts	60	265	100	100
Reserves used in year to fund Capital	353	508	100	0
Section 106 and Other Contributions	207	108	12	0
Total Financing	3,239	15,330	5,655	1,050
Net Financing Need For The Year (Borrowing)	1,280	12,640	10,651	5,585

- 4.4 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness, its underlying borrowing need. Any capital expenditure shown above, which has not immediately been paid for will increase the CFR.
- 4.5 The CFR does not increase indefinitely, as each year the Council is required to pay off an element of the capital spend (including finance leases) through a statutory revenue charge (MRP). In the case of schemes taken forward as part of the Council's capital programme this has the effect of reducing the Council's (CFR) broadly over the asset's life.
- 4.6 In the case of capital expenditure incurred in accordance with the Council's Commercial and Investment Strategy the MRP charge cannot be determined until such time that the Investment Board approves a scheme. Where the projected Capital Financing Requirement is disclosed in this report the figures used reflect the impact of borrowing to fund the full allocation of £25M over the next 3 years but no assumptions have been made regarding how MRP might reduce the CFR attributable to these schemes. This approach is considered reasonable until such time that any schemes are formally approved by the Investment Board.
- 4.7 In this context, it is also important to note that, as well as the statutory MRP charge, the Council is permitted to make additional voluntary payments to reduce the CFR. These voluntary payments will typically reduce the statutory charge that would have been due in future years. Voluntary payments can be funded from capital resources. This is particularly significant in the context of the Council's Commercial and Investment Strategy. As a result of investments undertaken, the Council may receive significant capital receipts and/or repayments of amounts due under the terms of loan agreements

with third parties, including the Local Authority Trading Company. These amounts may be received before the maturity date of the external borrowing used to undertake the initial investment. Any assumptions regarding the anticipated use of capital resources to reduce the CFR will be reported as part of future treasury management reporting.

- 4.8 The CFR includes any other long term liabilities (finance leases). A finance lease is a commercial arrangement between the Council and a lessor (finance company), where in consideration for a series of payments the Council has the right to use an asset (e.g. refuse vehicle) for the lease duration (typically 7 years). The annual lease payment is made up of a capital and interest repayment.
- 4.9 Although legally the Council doesn't own the asset during the lease duration, International Accounting Standards require that the Council capitalise the asset and liability on its balance sheet, much like a loan. Whilst this increases the CFR, the nature of the finance lease agreement doesn't require the Council to separately borrow to fund the asset.

Capital Financing Requirement (CFR)	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
CFR – as at 31 March				
Opening CFR	2,274	3,205	15,409	25,478
Movement in CFR	931	12,204	10,069	4,975
Closing CFR	3,205	15,409	25,478	30,453
Movement in CFR represented by				
Net financing need for the year	1,280	12,640	10,651	5,585
Less MRP and other Financing Movements	(349)	(436)	(582)	(610)
Movement in CFR	931	12,204	10,069	4,975

5 Minimum Revenue Provision (MRP) Policy Statement

- 5.1 The Council is required to pay off an element of the accumulated general fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision).
- 5.2 MHCLG regulations have been issued which require the Council to approve an MRP statement in advance each year. A variety of options are provided to Councils within the guidance. Councils are permitted under the guidance to establish their own approach to setting MRP and different approaches can be applied for different types of assets. The Council's principal responsibility is to ensure that it can demonstrate that whatever approach they adopt across their asset base it is prudent. Given the Council's decision to adopt a Commercial and Investment Strategy it was necessary to revise the MRP policy last year (2020/21) to take account of investments which might feasibly be taken forward in accordance with the Commercial and Investment Strategy. The policy applicable from the 2020/21 financial year onwards is as follows:

- (1) For unsupported borrowing (including finance leases) undertaken to fund the Council's capital programme, excluding any capital expenditure approved by

the Council's Investment Board, MRP will be based on the estimated useful life of the assets to be purchased or acquired. Repayments made under the terms of finance leases shall be applied as MRP.

- (2) For Investment Properties purchased or constructed (following a decision taken by the Council's Investment Board) the MRP charge shall be based on the difference between the value of the asset and the value of any outstanding unsupported borrowing secured to fund the original purchase of the asset. A calculation shall be undertaken at the end of each financial year to identify the difference between the value of the asset and the amount borrowed. Where a difference exists MRP shall be charged over a period commensurate with the period the Council expects to hold the asset as set out in reports presented to the Investment Board.
- (3) For any loans made to third parties, including those made to the Local Authority Trading Company, no MRP shall be charged where the loan requirement requires the third party to make repayments on at least an annual basis over the life of the loan. In the unlikely event of the Council providing a maturity loan to a third party, MRP shall be charged in equal amounts over the life of the loan.
- (4) Should the Council acquire an equity stake in any third party, the MRP charge will be for the lower of twenty years or the scheduled completion date of any projects funded by the third party using the proceeds from selling an equity stake to the Council.
- (5) For investment in Property Funds which the Council, following consultation with its Treasury Advisors, assesses as meeting the definition of capital expenditure MRP shall be charged over the period the Council expects to hold the investment. The period over which MRP can be charged for this type of investment shall not be permitted to exceed 20 years.

6 The Use of Council's Resources and the Investment Position

- 6.1 The application of resources (capital receipts, reserves etc) and temporary use of 'surplus cash balances' to both finance capital expenditure and other budget decisions to support the revenue budget reduces cash investment balances held (see below). Unless resources are supplemented with new sources (asset sales, capital grants, etc) then new borrowing will be required to fulfil the objectives as set in the Council's Business Plan. Detailed below are estimates of the year end balances for each resource.

Year End Resources	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Fund balances / reserves	11,315	5,860	5,750	5,750
Expected Cash investments	25,000	15,750	15,300	15,300

7 Affordability Prudential Indicators

- 7.1 The previous sections cover the overall capital and control of borrowing prudential indicators; also within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators.
- 7.2 This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Financing Costs to Net Revenue Stream	2020/21 Revised Estimate %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %
General Fund (excluding Commercial and Investment Strategy Schemes)	7.01	8.19	9.31	9.36
Commercial and Investment Strategy Schemes (£25M allocation)	0	1.02	2.00	2.47
Total	7.01	9.21	11.31	11.83
Net Revenue Stream	£11.285m	£11.305m	£11.464m	£11.621m

8 Treasury Management Strategy

- 8.1 The capital expenditure plans set out in section 4 provide a summary of future level of spend. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity and the Council's capital strategy. This will involve both the organisation of cash flow and where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.
- 8.2 The Council's treasury portfolio as at 31 March 2020 for borrowing and investments was £8.206m and £18.3m respectively. As of 31 December 2020, investments are £25.350m and borrowing £8.135m.
- 8.3 The Council's forward projections for borrowings are summarised below. The next table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement - CFR).

	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Debt at 1 April	7,800	7,800	21,060	30,775
Expected change in debt to fund capital programme (excluding Commercial and Investment Strategy schemes)	0	3,260	(285)	(285)
Borrowing to fund Commercial and Investment Strategy Schemes	0	10,000	10,000	5,000
Other long term liabilities (OLTL)	406	243	106	23
Expected change in OLTL	(163)	(137)	(83)	(23)
Actual gross debt at 31 March	8,043	21,166	30,798	35,490
Capital financing requirement (CFR) at 31 March	3,205	15,409	25,478	30,453
Borrowing less CFR – 31 March	4,838	5,757	5,320	5,037

- 8.4 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years and ensures that long term borrowing is not undertaken for revenue or speculative purposes (in the sense of anticipating future upward movements in interest rates), other than where the borrowing fits in with the Council's approved Investment Strategy.
- 8.5 The Council notes that the Prudential Code published by CIPFA prohibits local authorities from borrowing in advance of need. This prohibition has been recently re-affirmed by MHCLG in its Statutory Guidance on Local Authority Investments which states that this prohibition extends to undertaking borrowing to fund the purchase of financial and non-financial investments, including investment properties. This is on the basis that in such circumstances local authorities would be borrowing 'purely in order to profit from investment of the extra sums borrowed'. Section 4 of the Council's Capital Strategy explains how the Council has had regard for this guidance and notes the Council's approach to determining whether the motivation behind any proposed investment is purely to profit from investment of any sums borrowed.
- 8.6 As a result of the Council's long term Public Works Loan Board (PWLb) debt portfolio of £4.5m (31/03/20) currently attracting excessive premiums (£2.965m at the time of writing this report), if it were prematurely repaid and the fixed rate market loan of £3.3m (31/03/2020), attracting a premium charge on application to prematurely repay, it is not financially advantageous for the Council to fully comply with this prudential indicator. This has been the case since the housing stock transfer in 2007 and has been acknowledged and approved by Council since then. In addition, the Council's external auditors have also acknowledged this situation and have not raised any issues with our strategy.

- 8.7 Interest repayments associated with the external debt (including finance leases) above are shown below. The figures in the third column reflect the interest which would fall due if the Investment Board were to approve schemes totalling the full allocation of £25M and borrowing was undertaken over 3 years (£10m in both 2021/22, 2022/23 and £5m in 2023/24) funded by a maturity loan at today's rate.

YEARS	INTEREST DUE (EXISTING CAPITAL SCHEMES) £000	INTEREST DUE (FUNDING OF COMMERCIAL AND INVESTMENT STRATEGY) £000	TOTAL £000
2020/21	497	0	497
2021/22	531	115	646
2022/23	524	230	754
2023/24	517	287	804

- 8.8 The operational boundary is the limit beyond which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt.

Operational Boundary	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Debt	12,000	12,000	12,000	12,000
Other long term liabilities	1,000	1,000	1,000	1,000
Commercial Activities / Non Financial Investments	25,000	25,000	25,000	25,000
Total	38,000	38,000	38,000	38,000

- 8.9 The authorised limit is a key prudential indicator, which represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term but is not sustainable in the longer term.
- 8.10 This is a statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all council's plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following authorised limit.

Authorised Limit	2020/21 Revised Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Debt	17,000	17,000	17,000	17,000
Other long term liabilities	1,000	1,000	1,000	1,000
Commercial Activities / Non Financial Investments	25,000	25,000	25,000	25,000
Total	43,000	43,000	43,000	43,000

9 Prospects for Interest Rates

- 9.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link Assets Service's central view.

Link Group Interest Rate View 9.11.20													
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

- 9.2 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged.
- 9.3 Gilt yields/PWLB rates. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.
- 9.4 Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure

financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

- 9.5 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November 2020 when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.
- 9.6 Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure.
- 9.7 On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme.
- 9.8 Borrowing for capital expenditure. As Link’s long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable.
- 9.9 While this authority will not be able to avoid borrowing to finance new capital expenditure and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

10 Borrowing Strategy

- 10.1 As noted above in paragraph 8.5 the Council recognises that statutory guidance indicates that whilst the Council has the necessary powers to borrow in advance of need the government and CIPFA state it should refrain from doing so where such borrowing takes place purely in order to profit from investment of the extra sums borrowed. None of the Council’s current borrowing was undertaken in advance of need. Section 4 of the Council’s 20/21 Capital Strategy explains how this Council will have regard for this guidance in future. This section of the strategy explains the process to be followed should the Chief Finance Officer wish to bring forward a proposal to borrow in advance of need purely in order to profit from investment of the extra sums borrowed. Risks associated with borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

- 10.2 As a result of the Council's decision not to repay debt of £7.8m at the time of the housing stock transfer in 2007, the Council is currently over borrowed (see paragraph 8.6 above); the Council's gross debt exceeds its CFR over the term of the treasury strategy.
- 10.3 Where the Council has insufficient internal resources to funds its capital programme the difference between available resources and funds required is met through borrowing. The Council is able to borrow internally if it identifies that it has surplus funds currently held in investments which could be used to finance its capital programme. However, any decision to borrow internally has to consider when any funds borrowed might be required to support the day-to-day cash needs of the Council. Unless the Council is able to increase the surplus funds it has available, i.e. through generating surpluses on the revenue account, internal borrowing will only provide a temporary solution to funding the capital programme.
- 10.4 When the Council borrows externally it will ordinarily do so using funds borrowed from the Public Works Loan Board, though this does not preclude the Council considering other sources of lending.
- 10.5 The current Medium Term Financial Strategy assumes that some external borrowing will be required over the four-year period to 31 March 2024. Assumptions about the level of external interest payable are reflected as part of the prudential indicators included in this document. Responsibility for deciding when to borrow externally, together with details of the amount to borrow and the term and type of any loan, rests with the Chief Finance Officer. The Chief Finance Officer's decision will be informed by advice from the Council's treasury management advisors and information regarding the progress of schemes set out in the capital programme. Any borrowing decisions will be reported to Cabinet through either the mid-year or annual treasury management reports.
- 10.6 The Chief Finance Officer will monitor capital plans and interest rates in financial markets and adopt a pragmatic approach to funding the capital programme. Any borrowing decisions and budget consequences will be reported to Cabinet through either the mid-year or annual treasury management reports.
- 10.7 Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

Maturity structure of fixed interest rate borrowing 2020/21	Lower %	Upper %
Under 12 months	0	20
12 months to 2 years	0	50
2 years to 5 years	0	75
5 years to 10 years	0	75
10 years and above	0	100

Maturity structure of variable interest rate borrowing 2020/21	Lower %	Upper %
Under 12 months	0	100
12 months to 2 years	0	100
2 years to 5 years	0	100
5 years to 10 years	0	100
10 years and above	0	100

11 Debt Rescheduling / Repayment

- 11.1 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.
- 11.2 If rescheduling was done, it will be reported to the Cabinet at the earliest meeting following its action.

12 Annual Investment Strategy

- 12.1 The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (see Annex A to this report).
- 12.2 The Council's investment policy has regard to the following:-
- MHCLG's Guidance on Local Government Investments ("the Guidance");
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code"); and
 - CIPFA Treasury Management Guidance Notes 2018.
- 12.3 The intention of the strategy is to provide security and appropriately manage risk. The Council's investment priorities are:
- the security of capital;
 - the liquidity of its investments;
 - return on its investments.
- 12.4 The above guidance from the MHCLG and CIPFA, place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means.
- 12.5 Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings
- 12.6 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- 12.7 Investment instruments identified for use in the financial year are listed below under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.
- 12.8 **Specified Investments** - These investments are sterling investments (meeting the minimum 'high' quality criteria where applicable) of not more than one year maturity, or those which could be for a longer period but where the Council has the right to repay within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. Investment instruments identified for use in the financial year are as follows:
- term deposits with part nationalised banks and local authorities;

- term deposits with high credit criteria deposit takers (banks and building societies);
- callable deposits with part nationalised banks and local authorities;
- callable deposits with high credit criteria deposit takers (banks and building societies);
- money market funds (CNAV) / (LVNAV) / (VNAV);
- Debt Management Agency Deposit Facility (DMADF); and
- UK Government gilts, custodial arrangement required prior to purchase.

12.9 Non-Specified Investments - These are any other type of investment (i.e. not defined as specified above). Investment instruments identified in both “specified” and “non-specified” categories are differentiated by maturity date and classed as non-specified when the investment period and right to be repaid exceeds one year. Non-specified investments are more complex instruments which require greater consideration by members and officers before being authorised for use. Investment instruments identified for use in the financial year are as follows:

- term deposits with high credit criteria deposit takers (banks and building societies);
- term deposits with part nationalised banks and local authorities;
- callable deposits with part nationalised banks and local authorities;
- callable deposits with high credit criteria deposit takers (banks and building societies);
- Debt Management Agency Deposit Facility (DMADF);
- UK Government gilts, custodial arrangement required prior to purchase; and
- Property funds.

12.10 As a result of the change in accounting standards first introduced in 2018/19 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1.4.18.

12.11 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Short term cash flow requirements (up to 12 months) include payments such as, precepts, business rate retention, housing benefits, salaries, suppliers, interest payments on debt etc.

12.12 Bank rate is expected to remain unchanged at 0.10% throughout the period of this strategy and consequently budgeted investment earning rates for returns on investments placed for periods of up to about three months are not expected to exceed the bank rate.

12.13 Estimated investment income is £55,000 for 2020/21 and then £40,000 for all future years. These estimates assume that none of the existing cash balances held by the Authority will be utilised to fund schemes approved by the Investment Board.

- 12.14 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year end.

	2021/22 £000	2022/23 £000	2023/24 £000
Maximum principal sums invested > 365 days	10,000	10,000	10,000

- 12.15 For its cash flow generated balances, the Council will seek to utilise its call accounts and short dated deposits (overnight to 180 days) in order to benefit from the compounding interest.
- 12.16 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

13 Creditworthiness Policy

- 13.1 The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- "watches" and "outlooks" from credit rating agencies;
 - Credit Default Swaps spreads to give early warning of likely changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 13.2 This modelling approach combines credit ratings, Watches and Outlooks in a weighted scoring system, which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:
- yellow 5 years;
 - dark pink 5 years for ultra-short dated bond funds with a credit score of 1.25;
 - light pink 5 years for ultra-short dated bonds funds with a credit score of 1.5;
 - purple 2 years;
 - blue 1 year (only applies to nationalised or semi nationalised UK banks);
 - orange 1 year;
 - red 6 months;
 - green 100 days
 - no colour not to be used.
- 13.3 The Link Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system does not give undue preponderance to just one agency's ratings.

- 13.4 Typically, the minimum credit ratings criteria the Council will use will be short term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use
- 13.5 The Council's own bank currently meets the creditworthiness policy. However, should they fall below Link Asset Services creditworthiness policy the Council will retain the bank on its counterparty list for transactional purposes, though would restrict cash balances to a minimum.
- 13.6 All credit ratings are monitored weekly and prior to any new investment decision. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services creditworthiness service.
- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - In addition to the use of credit ratings the Council will be advised of information in movements in credit default swaps against the iTraxx European Financials benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 13.7 Sole reliance will not be placed on the use of Link Asset Services Creditworthiness policy. In addition, this Council will also use market data and market information, information on any external support for banks to justify its decision making process.
- 13.8 To further mitigate risk the Council has decided that where counterparties form part of a larger group, group limits should be used in addition to single institutional limits. Group limits will be as set through the Council's Treasury Management Practices – schedules.
- 13.9 In relation to financial institutions, the Council currently only invests in UK banks and building societies, which provides sufficient high credit quality counterparties to meet investment objectives. It should be noted that in some cases these banks are subsidiaries of foreign banks but these are of the highest credit quality.

14 External Service Providers

- 14.1 The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the authority at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to available information, including, but not solely, our treasury advisors.
- 14.2 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.
- 14.3 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The Council will engage specialist advisers for commercial-type investments.

PARISH PRECEPTS 2021/22


TAX BASE (Equated Band D Properties)	PRECEPT 2020/21 £	COUNCIL TAX PER BAND D PROPERTY £	PARISH	TAX BASE (Equated Band D Properties)	PRECEPT 2021/22 £	COUNCIL TAX PER BAND D PROPERTY £	INCREASE FROM 2020/21 %
357	12,852	36.00	BENWICK	350	12,852	36.72	2.0
3,345	151,000	45.14	CHATTERIS	3,364	151,000	44.89	-0.6
274	12,750	46.53	CHRISTCHURCH	275	12,750	46.36	-0.4
838	56,459	67.37	DODDINGTON	843	56,459	66.97	-0.6
1,192	40,367	33.86	ELM	1,193	30,000	25.15	-25.7
390	19,000	48.72	GOREFIELD	397	19,000	47.86	-1.8
1,123	53,000	47.20	LEVERINGTON	1,135	54,000	47.58	0.8
853	55,143	64.65	MANEA	890	61,000	68.54	6.0
6,554	320,000	48.83	MARCH	6,606	320,000	48.44	-0.8
235	13,000	55.32	NEWTON IN THE ISLE	241	13,000	53.94	-2.5
449	20,643	45.98	PARSON DROVE	455	20,560	45.19	-1.7
389	1,000	2.57	TYDD ST GILES	389	12,000	30.85	1,100.0
5,424	171,015	31.53	WHITTLESEY	5,610	171,015	30.48	-3.3
758	65,851	86.87	WIMBLINGTON	787	65,851	83.67	-3.7
6,466	372,270	57.57	WISBECH	6,427	368,885	57.40	-0.3
1,168	80,510	68.93	WISBECH ST MARY	1,181	80,116	67.84	-1.6
29,815	1,444,860	48.46	GRAND TOTAL	30,143	1,448,488	48.05	-0.84

EARMARKED AND GENERAL RESERVES - Revised 2020/21 and Estimated 2021/22
APPENDIX G

Reserve Name	Balance 01.04.20 £	Capital Funding £	Revenue Contributions to(+)/from(-) 2020/21 £	Revised Balance 31.03.21 £	Capital Funding £	Revenue Contributions to(+)/from(-) 2021/22 £	Estimated Balance 31.03.22 £	Comments / Conditions of Use
Travellers Sites	322,373		10,330	332,703		45,750	378,453	Can only be used for specific future maintenance liabilities.
Station Road, Whittlesey - Maintenance	2,000		2,800	4,800		2,800	7,600	Required for future road maintenance.
CCTV - Plant & Equipment	48,368	-38,000	10,000	20,368		10,000	30,368	Available for future CCTV maintenance & replacement liabilities.
Invest to Save	84,924	-13,000		71,924			71,924	To provide resources for schemes which will deliver future efficiencies. £50k committed to energy efficiency schemes match funded by Salix Finance, as part of the Council's 'Keen to be Green' strategy.
Management of Change	946,468	-169,000		777,468	-431,000		346,468	Available for the effective management of any organisational changes required to meet the Council's future priorities.
Specific Government Grants (received in previous years)	1,070,270		-71,447	998,823		-39,408	959,415	Available to fund specific spending commitments in future years.
Business Rates Equalisation Reserve	721,043		3,196,387	3,917,430		-3,417,430	500,000	Available to assist the Council in smoothing out volatility in the business rates retention system.
Capital Contribution Reserve	340,905	-38,000		302,905			302,905	Available to fund specific spending commitments in future years.
Port - Buoy Maintenance	146,999			146,999		-19,000	127,999	Available for future buoy maintenance to service windfarms.
Repairs and Maintenance	637,064	-95,000		542,064	-77,000		465,064	Available to provide funding for one-off schemes, not covered by the normal Repairs and Maintenance revenue budgets.
Heritage Lottery Fund (HLF) - Wisbech	114,020		-36,800	77,220		-30,980	46,240	To manage the Heritage Lottery Funded scheme in Wisbech.
Solid Wall Remediation	100,000			100,000			100,000	Available to fund potential costs linked to solid wall installations in the District.
Highways Street Lighting	23,314		17,310	40,624		17,310	57,934	Available to fund future repairs and maintenance relating to street lighting.
Investment Strategy Reserve	1,350,168		-10,000	1,340,168			1,340,168	Established to provide future funding for Commercial and Investment Strategy projects.
Budget Equalisation Reserve	315,307			315,307			315,307	Year-end surpluses are transferred to this reserve. If a deficit is forecast this reserve can be used to offset the expected shortfall.
Planning Reserve	496,848		-107,000	389,848			389,848	Available to fund additional planning costs not reflected in the annual budget, including the development of the Local Plan.
Elections Reserve	0		30,000	30,000		30,000	60,000	Available to fund four-yearly District-wide elections. Transfers are made to this reserve each year to fund the cost of the next District-wide election.
Covid-19 Emergency Response Reserve	43,212		-43,212	0			0	Established to hold funding received from central government in March 2020 to respond to the Covid-19 pandemic. Utilised in 2020/21.
TOTAL EARMARKED RESERVES	6,763,281	-353,000	2,998,368	9,408,649	-508,000	-3,400,958	5,499,691	
General Fund Balance	2,000,000			2,000,000		-842,254	1,157,746	Unallocated general reserve required for various and unplanned for contingencies, to mitigate risks associated with future financial planning as well as for general day to day cash flow needs.
TOTAL RESERVES	8,763,281	-353,000	2,998,368	11,408,649	-508,000	-4,243,212	6,657,437	

NB: In accordance with the Council's Financial Rules and Scheme of Financial Delegation (Part 4, Rule 6 of the Constitution), paragraphs B57 - B60 delegates authority to the Chief Finance Officer to approve expenditure from these reserves in accordance with their approved use as detailed above.

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Cabinet Report	7	
Date:	23 February 2021	
Report Title:	Freedom Leisure Covid-19 impact: further ongoing support requested to maintain the business and contract	

1. Summary

For Cabinet to consider a further request for financial assistance from Freedom Leisure in line with the Council's leisure contract.

2 Key Issues

- 2.1 In December 2018 Freedom Leisure, a charitable trust, took over the operation and management of the Council's four leisure centres with a 15-year agreement.
- 2.2 This arrangement, after Hudson Leisure Centre capital costs and gym equipment replacement costs, has saved FDC £351,000 p.a. Additionally, a staff review of contract management staff as a result of the new Freedom contract added £49,000 p.a to the annual savings, equating to a total of £5.6 million of savings over the life of the contract.
- 2.3 The first 15 months of the contract proceeded better than either partner, the former FDC staff in the centres and leisure centre customers could have hoped for. Customer feedback, as well as customer and income growth, demonstrates that Freedom has been doing a very good job on the Council's behalf.
- 2.4 As with any business, Freedom is dependent on income and cash flow to manage the business. As a large organisation, they have capacity to absorb market conditions and respond in a more agile manner than a Council might. The business is, however, dependent on income from paying customers therefore following the significant impact of Covid 19, the Council has provided a series of support packages in line with the Council's leisure contract as summary of which is set out at 2.17.

Phase I Support – March 2020 lockdown and leisure centre closure:

- 2.5 Following the change in law and the necessity to close leisure centres on 23 March 2020, all income to Freedom became negligible. The contract between the Council and Freedom Leisure required that FDC supported Freedom financially in these types of situation and therefore the Leader agreed on behalf of Cabinet an initial support package on 1 May 2020 to fund costs that could not be further mitigated whilst the centres were closed and deferral of the management fee that Freedom usually pays to FDC on a monthly basis. The management fee is to be repaid in years 5-15 of the contract.
- 2.6 The Phase I support package (April-June 2020) consisted of:

Deferred Management Fees	£112,680
Cash support (paid)	£164,988
Total:	£277,668

Phase II support – reopening following lockdown

- 2.7 On 24 July 2020 Government changed the law allowing leisure centres to reopen. Facilities have been run in a Covid Secure manner, following Government and industry advice with strict cleansing and social distancing requirements in place. These measures meant a reduced customer experience when visiting the facilities as well as a significant reduction in capacity of all facilities.
- 2.8 In Fenland, due to reduced demand, costs have been kept low by reducing opening hours. On 5 October 2020 opening hours were extended, but still do not match pre-Covid levels.
- 2.9 On 29 June 2020 Cabinet agreed a **Phase II** [support package for July – September 2020](#) consisting of;
- | | |
|--|------------------------|
| Deferred management fees payable to FDC: | £112,680 |
| Financial support; an interest free relief payment on terms set out at 3.4 up to the value of: | <u>£200,000</u> |
| Total: | <u>£312,680</u> |

Phase III support; October 2020 – March 2021

- 2.10 On 21 October 2020 Cabinet considered and agreed a third phase of support for Freedom. This package again deferred the management fees due, as well as providing financial support to match the expected leisure operators business trading account from the contract between FDC and Freedom Leisure;
- | | |
|--|------------------------|
| Financial support: an interest free relief payment on terms set out at 3.4 up to the value of: | £284,748 |
| Deferred management fees: | <u>£225,360</u> |
| Total Phase III support (6 months) | <u>£510,108</u> |
- 2.11 Since the Phase III support agreement there have been significant changes across the UK as a result of the second Covid-19 surge. Fenland was fortunate to sit in a low tier until Christmas, meaning that Freedom could continue to operate the facilities on behalf of the Council safely. Unfortunately, however, since Boxing Day all leisure facilities in the District have been closed due to the National Lockdown.
- 2.12 The closure and the continued Job Retention Scheme has meant that costs for the facilities are relatively fixed – albeit higher than the initial lockdown (due to seasonal heating costs) - and are expected to exceed the support levels agreed in October by Cabinet by approximately £41,000. This change in circumstances has increased FDC's costs by 14% of this period.

Government Support

- 2.13 The Council has received four payments totalling £1.8m from Government to support all costs incurred due to Covid 19.
- 2.14 Additionally, Government has set up an Income Compensation Scheme for Councils. FDC is able to claim under this scheme for a proportion of the income losses related to the Freedom Leisure management fee. The expected total claim to this scheme relating to lost management fee revenue payable by Freedom Leisure by the end of the financial year will be **£322,763**. This equates to 71.6% of what we expected to receive in this financial year.

- 2.15 Government has also set up the National Leisure Recovery Fund (NLRF) that is accessible to Councils whose leisure services are provided by a third party – in the manner that Freedom does for FDC.
- 2.16 The notional amount that FDC has been offered for this scheme is £210,000. FDC has completed the application in the sum of **£221,000**, being a sum calculated by MHCLG's spreadsheet as a realistic and sustainable grant required for the period December 2020 to March 2021. FDC awaits the results of the grant application.
- 2.17 Total support agreed by Cabinet for Freedom for financial year 2020/21 consists of:
- | | |
|---|------------------------|
| Phase I support | £277,668 |
| Phase II support | £312,680 |
| Phase III support | £510,108 |
| Less: | |
| Income support grant (confirmed) | (£322,763) |
| NLRF grant (application in progress) | <u>(£221,000)</u> |
| Total support in place for 2020 / 21: | <u>£556,693</u> |

The £556,693 is repayable by Freedom once the terms at 3.4 have been reached.

Note: Due to the NLRF Grant this sum is now lower than the annual expectation agreed by Cabinet in October 2020. This should be considered in the context of the NLRF grant being in the application phase, with funding unsecured at this point.

2020 / 2021 Financial Reconciliation

- 2.18 As we approach year end, a full reconciliation of the costs of supporting Freedom are becoming clearer. Freedom runs about 2 months behind when reconciling their accounts. However, given that costs for February and March are relatively fixed (i.e. costs are fixed and income is near zero due to closure), the Council and Freedom are working together to reconcile the year as a whole. This information will be presented to the Portfolio Holder for Finance and Portfolio Holder for Leisure, highlighting the full year's impact of the pandemic on the service when compared with the original Leisure Operators Base Trading Account for this current year, and reported in future Cabinet reports as necessary

Phase IV Support: April – June 2021

- 2.19 The current lockdown situation and the lack of any knowledge regarding the outcome of the lockdown and when facilities may reopen and even what reopening may look like, means that our estimates for support for Freedom in April – June 2021 should be considered as 'best guess' estimates at this time. No work has been carried out nationally regarding the consequences of the third national lockdown on the leisure sector. Indeed, the NLRF scheme was based on supporting the leisure sector in December – March 2021 and had to go ahead without consideration of the lockdown due to the format of the scheme being implemented in mid-December.
- 2.20 It should be further highlighted that the usual boom and post-Christmas rush for leisure and fitness has passed, and with it the opportunity to gain new members.
- 2.21 Cabinet is asked to view the projected financial support for April – June 2021 with caution. Officers will work with Freedom to review the situation on a regular basis,

usually 6 - 8 weeks in arrears and should material financial issues arise, consultation will take place with the Portfolio Holders for Finance and Leisure.

Expected Phase IV support requirements

- 2.22 Income levels will remain low in this period, although the overall impact of the lockdown is unknown. The Council is certain that Freedom will be unable to pay a management fee, so once more these fees will require deferment.
- 2.23 Financial support is likely to be in the region of the requirements of Phase II support, given the season. Freedom has estimated the support funding required at £169,690. However, given the degree of uncertainty, it would be prudent to allow the Phase II figure of up to £200,000 to be agreed, with an open book approach in order that FDC pays only what is necessary in our legal agreement with Freedom. This is summarised as follows:

Deferred management fees payable to FDC;	£112,680
Financial support; an interest free loan up to the value of	£200,000
Total:	£312,680

- 2.24 The Council has been proactively lobbying the government through the LGA, District Council Network, District Council Treasurers, and local MP Stephen Barclay to highlight the financial difficulty that the leisure sector is facing and the financial impact on Councils to support their local facilities.
- 2.25 Fenland has a contract with Freedom Leisure that is in the second full year of a 15-year contract. The significant efficiencies and savings that the contract has allowed FDC are expected to return during its term, with the lifting of social distancing requirements.

3 Recommendations

It is recommended that:

- 3.1 Fenland District Council ("FDC") provides the Phase IV financial relief to Freedom Leisure set out in these recommendations.
- 3.2 FDC defers the monthly management fee of £37,560 per month for April 2021 – June 2021, at a cost to the Council of £112,680, repayable in accordance with the terms set out at paragraph 4 of these recommendations and noting some of these monies may be recoverable through the Government's Income Compensation Scheme for Councils, should this scheme continue in 2021/22.
- 3.3 FDC continues to support Freedom Leisure on an open book basis by providing them with an interest free loan payable monthly up to the amounts set out below and repayable in accordance with the terms set out at paragraph 3.4:

An interest free loan up to the value of:	£200,000
Deferred management fees:	<u>£112,680</u>
Total Phase IV support:	£312,680

These costs are an estimate based on the information available at the time of despatch.

- 3.4 Repayment of the £312,680 described in paragraphs 3.2 and 3.3 of these recommendations shall become payable through an annual deduction of 75% of any profit generated in excess of the levels predicted in the LOBTA (Leisure Operators Base Trading Account). This is a change from the current 50/50 profit share and will be subject to the performance of the business over the contract period.

- 3.5 The Monitoring Officer and s.151 Officer are authorised to put in place all necessary arrangements to give effect to the agreed recommendations to include entry into the necessary legal arrangements and expenditure of the amounts described from existing budget provisions.

Wards Affected	All Wards
Portfolio Holders	Cllr Chris Boden, Leader of the Council and Portfolio Holder for Finance Cllr Sam Clark, Portfolio Holder for Leisure
Report Originators	Phil Hughes, Head of Leisure Services Carol Pilson, Corporate Director Peter Catchpole, Corporate Director Amy Brown, Chief Solicitor
Contact Officers	Paul Medd, Chief Executive paulmedd@fenland.gov.uk Carol Pilson, Corporate Director cpilson@fenland.gov.uk Peter Catchpole, Corporate Director and Section 151 Officer petercatchpole@fenland.gov.uk Phil Hughes, Head of Leisure Services phughes@fenland.gov.uk Amy Brown, Chief Solicitor abrown@fenland.gov.uk
Background Papers	2020 Cabinet Reports NLRF application pack Confidential: Freedom Leisure modelled income and expenditure Confidential: LOBTA - Leisure Operators Base Trading Account

4 Pre-Covid Financial Summary

- 4.1 Expected income for 2020/21 for the Fenland leisure centre contract was budgeted at approximately £3.5m - an average of just under £300,000 per month. Staffing costs are around £149,000 per month.
- 4.2 Freedom Leisure pays the Council a management fee of £450,717 p.a. (£37,560 per month).
- 4.3 Savings from Freedom's operation and management of the leisure centres are approximately £400,000 p.a. with 14 years left of the contract to run this equates to £5.6m in savings for FDC over that period, when compared with the previous in-house management and delivery costs.

5 Key Issues; Covid19 Business Impact

- 5.1 The impact of Covid19 on the leisure sector has been profound and immediate. Customers were unable to attend due to the change in law. Freedom furloughed most staff. Income during closure was negligible.
- 5.2 Independent leisure operators have written to clients requesting support. Across the District Council's Network approximately £305m was required by Councils to support leisure service Covid costs up to October 2020. Sport England is reporting a deficit in excess of £1bn across the sport and physical activity sector. Of Freedom's 21 Council clients, all have supported the business in Phase I (closure) and Phase II (reopening) of the Covid crisis in broadly a consistent manner, and this has continued in Phases III and IV.
- 5.3 FDC's contract with Freedom includes a change of law clause stating that in the event of a change in law, Freedom should be in a position that is no better and no worse as a result of such a change. Government guidance forms part of this contract clause, meaning that FDC is obliged by the contract to provide Phase IV support during the Coronavirus crisis.
- 5.4 It was anticipated that further financial support may be required following the initial reopening period of leisure centres. Once income levels are back to original contracted levels or legal restrictions on business operations are lifted, the Council would then expect to see the management fee back to its original contracted level. Unfortunately, these restrictions on business operations (Covid Secure ways of working and social distancing) have not been lifted and it is likely they will remain in place for the next 6 months.
- 5.5 It is proposed that the Phase IV financial support package between Freedom and the Council is structured as a long-term loan unless and until the current contract is varied so that;
 - When income performance levels reach those agreed in the original LOBTA, profit generated above the LOBTA level will then be shared 25:75, with the Council receiving the larger share as the loan repayment of Phase II support monies (including deferred management fees) and the deferred management fees from Phase I.
 - Should the support payments loan (including deferred management fees) be settled prior to the end of the contract, the contract shall revert to the original profit share mechanism.
- 5.6 It should be noted that the Council is keen to regain the financial support identified in this report using this mechanism. However, the Council recognises that repayment

levels are uncertain due to the nature of future income levels, determined by customer demand and due to the fact that the profit share only applies after the contracted profit has been taken by Freedom.

6 Options and Risks

- 6.1 Members agreed prior to the outsourcing process that they wished leisure centres to continue to run in each town.
- 6.2 Freedom is providing the service of managing the leisure centres on Fenland's behalf, but this arrangement it is very much a partnership. Whilst Freedom Leisure is an expert in this field, it is important for both organisations to work collaboratively to achieve the common objective of reinstating and continuing to improve leisure services.
- 6.3 If Freedom fails, then FDC's short term costs will increase by at least £500,000 p.a. and FDC would be taking back the health and safety risk, staff management, accountancy and payroll functions, administrative functions and human resources of over 100 staff. Staff restructures took place in back office teams to reflect leisure being outsourced. These additional costs would have to be added back into the FDC budget to support any in-house change. It will not be possible to find an alternative provider of the Service at short notice.
- 6.4 Should Freedom fail, FDC will not realise the £500,000 per annum of savings over the outstanding period (14 years) of the contract. FDC's current MTFS highlights the requirement to find £1.1m in savings by 2024/25 as well as consideration of the added uncertainty of Covid 19, fairer funding, new homes bonus and business rates retention. If the Freedom contract ceases and Members decide to continue to deliver the current level of leisure service provision to the community, bringing the service in-house will add an additional revenue cost of around £500,000 per annum to the Council.
- 6.5 Further to paragraph 6.4, should Freedom fail and the planned savings of the Freedom contract are not possible, the Council may need to reconsider the strategic approach to leisure centre provision in Fenland. Such a review may mean that the current level of provision across the four towns would need to be re-visited, reflecting the financial challenges.
- 6.6 Fenland District Council is one of 21 Councils who have a contract with Freedom Leisure. Financial relief packages have been agreed with each of the 21 Councils for varying periods of time and values commensurate with the value and length of the respective contracts. Similarly to FDC, each other Council is also keeping the circumstances of support under review and to an extent, the success of any individual Council's contribution is contingent upon the support being given by others. This remains a potential risk factor, with Officers monitoring the situation, however Freedom have confirmed that all 21 contractors continue to support them financially.
- 6.7 Due to the unprecedented nature of the current situation and the overall fragility of the industry at this stage in recovery process, the Council faces inevitable risks whatever decision it takes.

Contractual Options Appraisal:

- 6.8 If FDC withdraws its support to Freedom it will be in breach of contract entitling Freedom to give notice and claim any associated penalties. In addition, FDC will face the financial costs of the service brought back in house or retendered.
- 6.9 If FDC itself serves notice under the contract there would again be financial implications associated with assuming responsibility for the service or retendering, together with a penalty of up to 12 months loss of opportunity payable to Freedom.

- 6.10 If the Council attempts to negotiate a reduction in the currently proposed relief package such that only partial support is provided, it will impact on the services that can be delivered and would therefore put Freedom in a disadvantageous position in terms of re-establishing its competitive position in the market and ultimately the level of profit required to offset the payments made.
- 6.11 If the Council provides the relief package on the terms identified, due diligence suggests that this will put Freedom in the best possible business position to recover over the coming year. Nevertheless, it is acknowledged that there remains a possibility that trends will not evolve as expected which could result in a requirement to remodel the proposed operational model and / or ultimately to revisit the relief package. Of all the options however, this is the one which provides Freedom and the Council with the best opportunity to work towards the realisation of the originally predicted savings and programme of improvements originally planned for the benefit of our community.
- 6.12 In conclusion, whilst we remain in a position of uncertainty, a further relief package will provide an opportunity to maintain the status quo until more informed decisions can be made about the future of the leisure industry following the relaxation of the restrictions and as people adjust to the new normal. Whilst it is recognised that the recommendations have a significant budgetary impact, every effort will be made to recoup the costs through government funding and as part of the proposed amendments to the contract by way of loan repayments. It also avoids the wider implications of taking the leisure centre service back in house where the effect would be evident not only in budgetary terms but also potentially in relation to the level of service that could be provided.

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Agenda Item No:	8	
Committee:	Cabinet	
Date:	23 February 2021	
Report Title:	Creativity and Culture - A Strategy for Fenland	

1 Purpose / Summary

- 1.1 This paper outlines FDC's approach to developing a Creativity and Culture Strategy for Fenland illustrating the key outcomes to be achieved, as well as the collaborative, community led, approach to delivery of the Strategy by a range of partners.

2 Key issues

The Council recognises the importance of creativity and culture for our local communities. This is a broad area of activity and includes the heritage of Fenland's communities living here. Developing a vibrant creative and culture sector in the District will ensure that Fenland continues to be a great place to live, attracts more inward and intra-District tourism, generates jobs and supports the local economy, creates strong and cohesive communities and supports people's mental health.

Now more than ever a formal approach to supporting the planned development of creative and cultural opportunities across the District is necessary as the area recovers and moves forwards following the COVID-19 pandemic.

Creativity and Culture in Fenland has been identified by Arts Council England as an area requiring more support and funding. This strategy should allow creative organisations in Fenland to have better opportunities to work more closely together and be better able to access funding opportunities where available.

FDC has worked with the Arts Council and ArtReach to develop the Creativity and Culture Strategy. The Arts Council has funded arts sector specialist, ArtReach, to understand what is happening in the creative world in Fenland, consult with the public, local groups and Members through Overview and Scrutiny and an All Member Seminar to develop the Strategy.

This is not a Fenland District Council Strategy document but a document for Fenland allowing a wide variety of agencies to use it and the framework it will develop to develop cultural activities in Fenland.

3 Recommendations

For Cabinet to recommend adoption of the Culture and Creativity Strategy to Full Council.

Wards Affected	All
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Forward Plan Reference	
Portfolio Holders	Cllr Chris Seaton - Portfolio Holder for Social Mobility & Heritage
Report Originators	Phil Hughes - Head of Leisure Services Carol Pilson - Corporate Director
Contact Officers	Phil Hughes Tel: 01354 622520 Email: phughes@fenland.gov.uk Carol Pilson Tel: 01354 622360 Email: cpilson@fenland.gov.uk
Background Paper	Creativity and Culture Strategy O&S - 7 December 2020

1 Creativity and Culture Strategy for Fenland

- 1.1 The Strategy highlights four key outcomes that creative practitioners in Fenland should aspire to together:

Connections

- Assets in the cultural sector will be well networked, both within Fenland and further afield, in order to build partnerships that can lever in funding and build infrastructure across the District.
- Networks share skills and encourage and support volunteers and their upskilling, developing interest groups across the District that work together, not in isolation.
- Opportunities to access cultural opportunities is addressed in order to make cultural activity in Fenland more accessible.

Communication

- A focused communications campaign celebrates creativity, heritage and culture in Fenland.
- Marketing shows Fenland as a cultural destination, linking it to the strong heritage and unique nature of Fenland traditions and natural landscapes.
- Information about cultural activity in Fenland may be centralised, creating an information Hub with a coordinator promoting Fenland's creativity and culture, joining up marketing of creativity and culture into a multi-faceted offer across the District.

Empowerment

- New Community Connectors will be identified, alongside those already in the District, who will be supported to work with communities in order to develop their skills and confidence in creating cultural opportunities.
- Young people are supported to be heard within creativity and cultural plans, as well as supported to achieve their own cultural ambitions.
- Address the skills gap within Fenland's cultural sector, identifying opportunities to support young people to train in the sector and gain experience and skills as well as uplifting the skills of existing practitioners and cultural sector workers in Fenland.

Inspiration

- Inspiring events and activities will take place in Fenland on a regular basis, bringing high quality arts to the District, co-programmed with communities and appropriate for the towns, drawing larger audiences from further afield. Fenland has great potential for outdoor events, such as festivals, with its market places, fields and green open spaces.
- Work towards the development of a Creative Hub, perhaps making use of an existing venue to become an arts centre, hosting regular activities and attracting creative people to work and programme there.

2 Delivering the Strategy

- 2.1 Delivering this Strategy cannot be achieved without focus and community buy-in. This is not a Council strategy, but a Strategy for Fenland. In order to move the area forwards and achieve the key outcomes over the coming years, an infrastructure needs to be built

that will drive and deliver this Strategy over the next 10 years, embedding it into the whole of Fenland:

Leadership

- Leadership Steering Group; A steering group that loosely exists should be broadened, formalised, sustained and developed to provide the necessary leadership to drive this Strategy forwards. Young people must be included in this group. The Steering Group will connect existing cultural providers in the District, as well as key out of District funding organisations, to deliver towards the Strategy outcomes. In the initial stages, the Arts Council and District Council could facilitate the Group to ensure it is formalized leading to its self-sustainability.

Development post

- Through external funding, an Arts & Heritage Development officer will be established who can facilitate key actions of this Strategy in the first three years, working with the community to bring people together to create sustainable growth in creative activity and heritage.

Community Connectors

- The Steering Group will identify and support, accessing funding where possible Community Connector roles with a remit to develop community groups in cultural activity. (Existing roles include Care Network Community Development Workers, Fascinating Fens, Fenland Museums, Festival Bridge, Young Fenland Cultural Consortium, Cambridgeshire)

3 Considerations

- 3.1 To deliver the Strategy, support from an Arts and Heritage Development officer will be required to join up the creative community, improve skills development opportunities and offer guidance and support, certainly early on, with funding applications. It is anticipated that the bulk of funding for such a post would come from third party funders such as Arts Council England, with the potential for some match funding provided by FDC.
- 3.2 It is worth emphasising that this Strategy is not an FDC strategy. It is a Strategy for Fenland that should be led by a group of people involved in the creative and heritage sector within Fenland. This leadership will strengthen the possibilities that the Strategy can offer, ensuring community ownership to effect positive change within the sector in Fenland.
- 3.3 The Strategy is about Fenland as a whole - inclusive of rural communities including the many villages in the District.

4 Effect on corporate objectives

- 4.1 An effective Creativity and Culture Strategy will improve opportunities for the community in Fenland to enjoy art and heritage activities, ensuring that Fenland remains a great place to live and work in.

5 Community impact

- 5.1 A strategic approach to creativity and culture in Fenland is expected to offer residents more diverse, exciting and interesting opportunities to take part in arts activities. This in turn will increase the attractiveness of Fenland as a place to live and work in, strengthening communities and ensuring that Fenland's unique culture and heritage are enjoyed by more people.

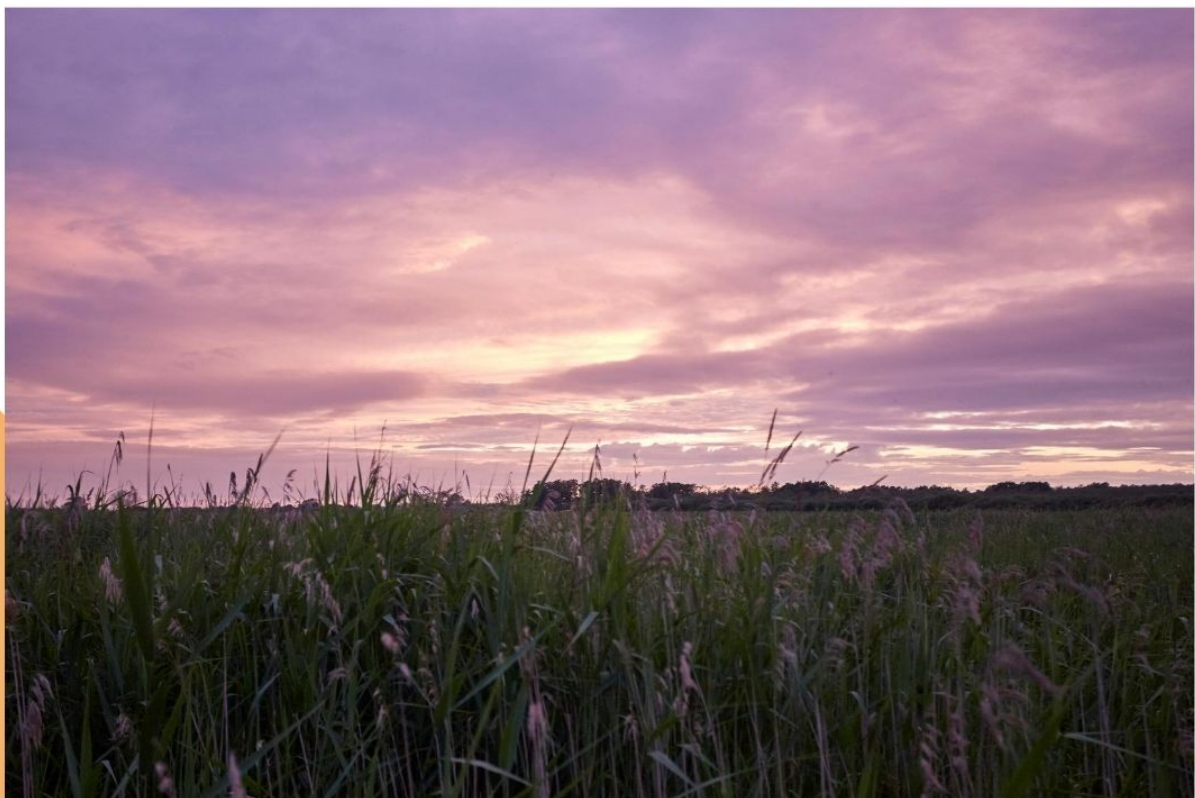
6 Conclusions

- 6.1 The Creativity and Culture Strategy is expected to lead to more effective and joined up opportunities for the Fenland community to take part in creative, cultural and heritage activities. This type of activity will be very important to help the local community recover from social isolation during the pandemic, improving personal resilience and creating a more cohesive community.
- 6.2 It is anticipated that the Strategy would facilitate the employment of an Arts and Heritage Development Officer who would work with local creative practitioners to further develop opportunities to enjoy creativity and culture in Fenland.
- 6.3 A key aspect of early wins for the strategy will be the upskilling of the creative community in Fenland. Skills to be targeted will include;
- Communication and marketing skills
 - Fund finding and effective application skills
- These skills will ensure that activities are better promoted, more joined up across Fenland and better supported by external funding sources. Creative practitioners in Fenland do not attract significant third-party funding. This is primarily due to a lack of applications from the Fenland area, not the result of unsuccessful applications.
- 6.4 Longer term, the strategy highlights the wider opportunities that a facility in Fenland for creative practitioners could deliver. Whilst it is likely that this is a longer-term ambition, it should be borne in mind as a possible goal for the future.

Broad Horizons

Forging Fenland's Future

A Creativity and Cultural Strategy
2021 – 2030

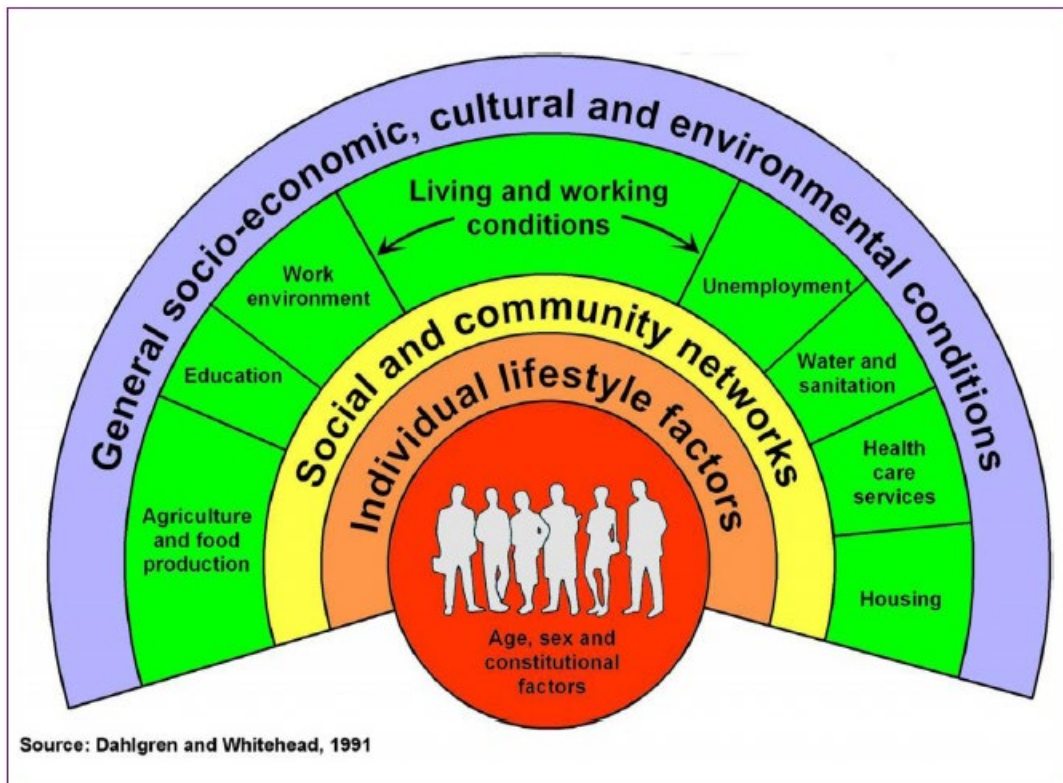


Introduction

This strategy has been developed for Fenland's communities, proposing how they can work together to strengthen cultural opportunities, creative activity and heritage within Fenland.

This is a broad area of activity and includes the heritage of Fenland and the communities living here. Developing a vibrant creative and culture sector in the District will ensure that Fenland continues to be a great place to live, attracts more inward and intra-District tourism, generates jobs and supports the local economy, creates strong and cohesive communities and supports people's mental health.

Culture sits firmly within the wider determinants of health model, as detailed in the following diagram under both 'social and community networks' and 'general socio-economic, cultural and environmental conditions'.



Arts Council England's Let's Create strategy highlights that the cultural sector plays a critical role in regeneration, place making, engagement, employability, community cohesion and resident wellbeing.

Now more than ever a robust approach to developing creative and cultural opportunities across the District is necessary as the area recovers and moves forwards following the COVID-19 pandemic. Creativity and Culture in Fenland has been identified by Arts Council England as an area requiring more support and funding as creative organisations in Fenland have an

opportunity to work more closely together and be better able to access funding opportunities where possible.

Fenland District is a rural area with villages around four market towns. There are strong local cultural and heritage traditions, such as the community run Straw Bear Festival in Whittlesey, Rose Fair in Wisbech, Chatteris Summer Festival, St George's Day celebrations in March and many events in the surrounding villages as well as several independent museums across the district. The landscape has its own unique beauty, with wide open skies and fields, and the towns enjoy many attractive heritage buildings. Market places in the towns offer the potential for communal centres, and there are creative companies who are doing exciting work in the local area.

However, connections between the towns, particularly transport, mean the towns and villages creative endeavours can be isolated from each other. As a result, it is difficult for creative and heritage organisations to connect with each other and grow partnerships across the District.

There are several exciting initiatives being taken forwards within Fenland by different groups, demonstrating that people in the area support the development of creativity, culture and heritage. However, sometimes these initiatives remain localised and encouraging greater collaboration will increase their impact on the community within the district as a whole.

There is a lack of capacity within the creative and heritage sector as many active groups are run by volunteers operating with little financial or infrastructure support. There are professional artists within Fenland, however they are also unsupported and their capacity to work across the whole district is limited, which inevitably results in areas of Fenland that have limited access to arts opportunities.

There are no Arts Council England National Portfolio Organisations (NPO's) within Fenland with the area offering a limited number of arts venues or facilities.

People in Fenland access cultural activities outside of the District's boundaries. This is important within the cultural sector, as some of the cultural assets available to the people of Fenland exist outside the district, such as Flag Fen Archaeology Park (who run a cultural programme) and Babylon Arts in Ely (who are the lead organisation for Market Place, the Creative People and Places project that crosses Fenland and Forest Heath). There are opportunities here, as there is expertise around the District which could be brought into Fenland more effectively through partnership working to benefit the local community. An example of this is the recent grant from Arts Council England, secured by Cambridgeshire ACRE in partnership with Creative Arts East, to deliver a three year Rural Touring Scheme, bringing professional performing arts to village halls, working with local communities to devise their own local programmes. This scheme shows the potential for

partnership working, with experts such as Creative Arts East bringing relevant and high-quality arts to Fenland, working with local communities.

Fenland has untapped potential within the creative and heritage sectors. There are a number of excellent creative people and heritage volunteers doing great work, but their capacity is limited. The area has potential as a unique landscape with distinct cultural traditions, and an enthusiasm to do more shown by people who engaged with the consultation for this strategy.

Fenland is a place where people want to come together, to celebrate and be inspired as a community. Through culture and creative activity, communities can be strengthened and connected more. Culture can create a realm of togetherness. People have willingness and energy to make things happen. With the right support and infrastructure, with coordination and leadership within the culture sector in the district, Fenland can successfully match a landscape of broad horizons with a creative future of broad horizons.



Vision

This Strategy brings together the district's unique landscape heritage with people's creative aspirations to support strengthened communities.

*In ten years time, more people in Fenland will be **connected** by coming together for **inspiring**, enjoyable and widely known creative and heritage activity that **supports communities** to achieve and grow their ambitions.*

Themes

Connections – There are many great cultural activities already happening in Fenland, often undertaken by volunteers with limited resources, but with great support from local people. More may be achieved if organisers and key community players worked together across the District. This would allow them to achieve activities and events with greater impact, draw down funding from national funding bodies and share resources and skills.

Communication – The interesting and exciting cultural activity already going on in Fenland is well supported by those who know about it. However, there is a lack of communication beyond people already involved. Fenland's geography of numerous villages makes it difficult for cultural workers to communicate what they do effectively across Fenland. There is a perception both within and beyond Fenland that there is not much cultural activity taking place, however the consultation shows that this is not the case. This perception needs to be challenged and the cultural activity in Fenland needs good communication, to be celebrated and amplified, both within the district and beyond.

Empowerment – Many people in Fenland are actively involved in cultural activity, ranging from keeping traditional events alive, creating new arts activity opportunities, energising museums, generating new creative work and supporting young people in creative careers. However, many of these people are volunteers and have limited resources, would benefit from skills development, as well as funding support. Often they have ideas but not the knowledge of how to translate them into action. People need support and empowerment to grow their ideas.

Inspiration - Focused coordination can bring inspirational, high quality events and activities to Fenland to inspire people and encourage participation. A Development Officer for Fenland would assist with access to regional and national funding to do this, bringing people in Fenland together to enable small ideas to grow into bigger ones, and to promote the great work that is already happening.

Fenland's Priority Areas

Culture is well placed to contribute towards a number of Fenland's priority areas.

- **Changing population: community cohesion**

Fenland has a changing population, with new homes being built and significant migrant communities. Cultural activity is a great way of building community cohesion, bringing communities together through shared cultural experiences. Additionally, there is potential for communities from other countries to share their own proud cultural traditions with Fenland residents and celebrate their own rich arts and heritage. Not only could this reaffirm migrant communities own sense of pride, but also promote understanding between people of different cultural backgrounds. Key community workers who support migrant communities could work with them to identify key events to share cultures within Fenland. More events that share heritage and cultural activity would help to bring new settlers together with established residents in sharing a common sense of place.

- **Aging population: physical and mental health**

Fenland has an aging population which brings with it health issues that people experience as they grow older. In addition, there is potential for many older people in Fenland to experience isolation and loneliness, especially in rural areas. Culture has a part to play in supporting people through social activity that can be healthy both physically and mentally, giving people the opportunity to spend time with others and take part in enjoyable and creatively expressive activity.

- **Outstanding heritage - supporting tourism**

Heritage in Fenland is rich and varied. The landscape is unique and a key feature of Fenland, bringing with it its own traditions as well as natural heritage. There are several independent Museums across the district, as well as archaeology groups promoting Fenland's history and heritage.

- **March – A Destination Market Town**

The Growing Fenland report for the town of March aims to develop the town as a destination, and the town's recent success in the government's Future High Street funding provides a powerful vision for the future. Culture can contribute towards this aim, particularly by contributing towards the development of evening economies through evening events, as well as through signage to amplify the town's heritage.

- **Chatteris – An Aspirational Community**

The Growing Fenland report for Chatteris proposes that Chatteris develops as an aspirational community, including cultural activity such as a new community festival to bring people together in inspirational events, and to re-imagine the high street, which should include arts and creative input.

- **Whittlesey – A Market Town Fit for the Future**

The Growing Fenland report for Whittlesey proposes that the town can become fit for the future by making more of its assets. These include the

town square, to develop as a community 'piazza', which would be supported by cultural activity that encourages the use of the square. Also in development is a heritage centre at Kings Dyke Nature Reserve, as well as a heritage trail to amplify the town's heritage, and links to nearby Flag Fen's developing cultural programme.

- **Wisbech – A Resilient Town for the Future**

Drawing on historical inspiration, Wisbech will embrace heritage and cultural opportunities to encourage tourism, support a resilient town centre, and support community cohesion realising the potential of the town's economy with plans for Wisbech Park in particular for a new Pavilion and Water Park

- **Four Seasons Events**

Fenland District Council organises the Four Seasons events programme in the market towns with support from Town Councils and community volunteers. These events are platforms for creativity, including showcasing local talent, encouraging more local participation through creative activity and linked projects, and introducing new and inspirational creative events and artists from further afield to engage with Fenland's communities.

- **Cambridgeshire and Peterborough Combined Authority Business Plan**

The Combined Authority's business plan aims to encourage a visitor economy for the area. Fenland's heritage, creative and cultural activity and events should be amplified in order to contribute towards the area as an attraction to bring in more visitors and boost local economies.

- **Fens Biosphere**

Whilst this broad project, encompassing a wide area and including some of Fenland and several other Districts, is still in its infancy, it is important to maintain a watching brief as its potential to spark creative work in the locality could be significant.

- **Fenland District Council Business Plan**

The Council's Business Plan recognises the potential to promote Fenland through its culture and heritage. It also aims to strengthen links between Fenland communities which can be achieved through creative and cultural events and activity that brings people together to share common experiences. The Council also aims to support the numerous voluntary groups who wish to organise events, which, with the right support, can grow and contribute towards a new narrative for Fenland as a cultural place, supported by its community.

National Cultural Context

Covid-19

As at February 2021 the world is still managing the effects of the coronavirus pandemic, resulting in a third lockdown in the UK. The full effects of this will become clear in time, however there are already two apparent impacts on the cultural sector;

The lockdown has affected creative practitioners and cultural venues hugely. Many cultural venues rely on visitors to raise their revenue and continue their reason for existing but have been forced to close due to the coronavirus lockdown. Theatres and arts venues were the first to be shut down. In addition, most creative practitioners in the UK are self-employed, freelancers or on short term contracts. Again, this has disproportionately affected cultural sector workers who have seen their income drop substantially. The cultural sector is threatened by the pandemic and many organisations will not survive.

However, the crisis has also highlighted the huge benefit of the cultural sector to communities. Creative people have quickly adapted their ways of working in order to continue to support the wellbeing of people through the crisis. Many have relied on the arts and entertainment to get them through the period of isolation. A statement on creativity and culture from Ernesto Ottone, UNESCO Assistant Director-General for Culture, said:

"COVID-19 has brought into stark relief, as crises often do, the necessity of culture for people and communities. At a time when billions of people are physically separated from one another, culture brings us together. It provides comfort, inspiration and hope at a time of enormous anxiety and uncertainty... Now, more than ever, people need culture. Culture makes us resilient. It gives us hope. It reminds us that we are not alone. That is why UNESCO will do all it can to support culture, to safeguard our heritage and empower artists and creators, now and after this crisis has passed. We hope you will join us in this effort, by supporting culture in your own community, however you can."

Culture and creativity has an important role, not just to support people through the crisis, but to re-build as we emerge from it. As Darren Henley, Chief Executive of Arts Council England, observed;

"...people and communities have turned to culture and creativity in this crisis... they will surely turn to it again and again as we begin the work of restoring our sense of wellbeing and our sense of our place in the world. Through the creativity of our artists, arts organisations, museums and libraries, we will be heard, and we will explore the meaning of all this. We will celebrate, console, commemorate and come together. Through creativity and culture, we will heal."

Mr Henley sees the role of creativity and culture as even more important to communities now, with a vital role that goes beyond the sector and supports all aspects of our lives;

“Imagine then the compelling story we could tell about how we brought our precious communities back together and helped to heal the emotional, social and economic scars left by this terrible virus.”

It is within this context that this strategy should consider the short-term recovery from coronavirus, as well as the long-term vision for Fenland’s creativity and heritage.

Arts Council England

Arts Council England recently published their 10-year strategy, Let’s Create, 2020-2030.

The strategy has three outcomes and four investment principles:

Outcomes:

- Creative People: everyone can develop and express creativity throughout their life;
- Cultural Communities: villages, towns and cities thrive through a collaborative approach to culture;
- A Creative & Cultural Country: England’s cultural sector is innovative, collaborative and international.

Investment Principles:

- Ambition and Quality: cultural organisations are ambitious and committed to improving the quality of their work;
- Inclusivity & Relevance: England’s diversity is fully reflected in the organisations and individuals that we support and in the culture that they produce;
- Dynamism: cultural organisations are dynamic and able to respond to the challenges of the next decade;
- Environmental Responsibility: cultural organisations lead the way in their approach to environmental responsibility.

Fenland’s Creative and Cultural Strategy should state clearly how it will support these outcomes and principles if it is to draw down investment from Arts Council England.

Creative People:

Let’s Create wants more people to have access to creative activity and be able to participate. The Arts Council lists Fenland as an area where participation in the arts is lower than the national average. Creative thinking needs to be undertaken to find innovative ways to allow access to creative activity for more people in Fenland, which is especially difficult with a lack of venues and limited public transport links. We should be asking ourselves: if people are not able to come to us, how can we bring culture to them? There are pockets of isolated communities in Fenland and an aging population. Cultural activity could be mobile to reach more places and this requires a well networked infrastructure which does not currently exist. Outdoor events and festivals can be developed where there is a lack of

indoor venues. In other parts of the country, outdoor events have been shown to be particularly effective in getting people involved. There is already good practice, such as Cambridgeshire's Libraries Presents touring programme, however, an expansion beyond the library venues to reach community centres, empty spaces and outdoor spaces is required. There are also large travelling and migrant communities in Fenland. Cultural events and activities should make efforts to connect with migrant and travelling communities and include them, integrating them into the cultural activity of Fenland. This will, over time, support community cohesion. Work in other areas of the country have shown that sharing of diverse cultural traditions has supported understanding between different communities.

Cultural Communities:

Let's Create recognises that more can be achieved when people and organisations work together. By building those networks, as stated above, more arts can tour in Fenland and reach more people.

In addition, different sectors can come together to support each other's aims: creative activity can support:

- health
- heritage
- economic regeneration
- social cohesion
- environment
- place-making

These sectors need to involve creative practitioners at the planning stages of projects allowing creative thinkers to come up with innovative solutions using culture to connect people and encourage engagement. Over the long term, Fenland's community could develop cultural hubs that can bring a number of creative and heritage practitioners together to generate exciting and varied programmes that create a buzz of creativity and encourage community involvement.

A Creative & Cultural Country:

Let's Create recognises that a creative and cultural country will only develop if all children and young people, regardless of their background, are given the opportunity to develop their talent. For them to take up these opportunities, they need to understand the opportunities available to be able to have a vision of what is possible. They need inspiration from a variety of quality artists and creatives and need to be introduced to the possibilities of varied creative careers. The excellent practices of organisations such as 20Twenty, who provide supported work experience for young people, need investment as their work has limited capacity without additional help. Let's Create also wants to see cultural organisations using more digital media and technology to be innovative and reach larger audiences. Young people need to be supported to take on this challenge and become technology innovators to support cultural organisations in Fenland into the future. This could be done through traditional education or by connecting technology businesses with young people in Fenland.

Historic England

Historic England's Corporate Plan includes the following aims:

- Championing heritage: this includes working in partnership with cultural and creative sectors, promoting the value of heritage to our cultural life and increasing cultural uses of and responses to the historic environment: "Closer working with arts and culture organisations will enable us to build active participation among diverse communities, enabling more people to understand, enjoy and care for the historic environment.";
- Wider Engagement and Diversity: Reaching more people and more diverse audiences all over England: "We need to engage with more diverse audiences, and in different ways, to fulfil our remit to champion and protect England's historic environment."
- Strengthening national capacity and resilience of the heritage sector, includes:
 - Grants and collaborative working to sustain and strengthen capability and effectiveness of heritage sector and community groups
 - Sustaining local authority contribution to delivering heritage protection through strategic support for the planning system, training, guidance and digital access to data
 - Developing heritage apprenticeships and craft skills, supporting High Streets, supporting Place-making and Rural heritage.

National Lottery Heritage Fund

The National Lottery Heritage Fund Strategic Funding Framework 2019-2024 lays out its two priority areas:

- landscapes and nature
- community heritage

There are six objectives:

- continue to bring heritage into better condition
- inspire people to value heritage more
- ensure that heritage is inclusive
- support the organisations they fund to be more robust, enterprising and forward looking
- demonstrate how heritage helps people and places to thrive
- grow the contribution that heritage makes to the UK economy.

The National Lottery Heritage Fund's definition of heritage is broad:

"The National Lottery Heritage Fund will continue to fund the full breadth of heritage across the whole of the UK, enabling people to define heritage for themselves, so that what they value can be enjoyed and passed on to future generations. This scope and reach is essential to our role as a distributor of

National Lottery funding for heritage, and our approach is recognised as having made heritage more democratic and widely appreciated than before.”

The Fund’s new outcome is: “People will have greater wellbeing”, thus they link heritage with people’s enjoyment and sense of pride in their community and locality.

The priority areas are applicable to Fenland in that it involves communities and landscape/natural heritage, both of which should also be priorities for Fenland. National Lottery Heritage Funding has already been secured for Wisbech to invest in the High Street. Other projects identified in the Growing Fenland town plans include heritage to boost visitor numbers and local economies, and to celebrate heritage with new signage, trails and community festivals.

Most of Fenland’s heritage provision is run by volunteers, including Angles Theatre and four of the five museums. Investment from sources such as the Arts Council should be identified to support links between local assets enabling resource sharing, encouraging more ambitious and enterprising work to be undertaken to enhance the good practice already achieved with limited resources. A key priority would be to enhance heritage in the area with technological innovation, digital initiatives and better online presence and marketing, which will be most effective shared between them. Links between the heritage that exists in the area and the wellbeing of the community that engage with it should be amplified; connecting people to heritage through their own stories, ensuring that heritage remains relevant to people in all their diversity. Making this case for local heritage collections and museums, Angles Theatre and the natural landscape, should ensure that the National Lottery Heritage Fund would be drawn to investing in Fenland projects.



Fenland's Cultural Assets, include, but are not limited to;**Venues**

- Angles Theatre
- Community Centres
- Libraries
- Luxe Cinema Wisbech and The Light Cinema Wisbech
- Market places
- March Town Hall, local village halls

Organisations

- 20Twenty Productions
- Blackfield Creatives
- Fascinating Fens
- Care Network
- Cambridgeshire ACRE
- Market Place CPP / Babylon Arts
- Libraries Service (The Library Presents)
- Young Fenland Cultural Consortium
- Fens Biosphere project - Ouse Washes Landscape Partnership
- Cambridgeshire Community Arts
- Red Barn Creative
- Town Councils

Heritage

- Museums
- Landscape and Natural Environment
- Archaeology
- Cultural traditions e.g. Straw Bear Festival
- The Castle (Wisbech, Grade II listed, owned by Cambridgeshire County Council and run by Wisbech Town Council)



Challenges

- Creativity and heritage in Fenland is not perceived as particularly exciting by consultation respondees. Though this may be a perception rather than reality, it indicates a need to grow creative aspiration and introduce inspirational events and activities into the district. Currently there is little capacity to influence arts coordination which would enable inspirational activities to be developed, attracting high quality art to Fenland.
- There is no central hub for cultural activity in the district. Young people particularly expressed a wish to have a central place as a creative hub where people could get involved in a range of activities. Hubs would need to develop over time with several organisations coming together to deliver creative hub activity.
- Transport is a challenge in Fenland for accessing venues, activities and events, especially for people without access to their own transport.
- People in Fenland are operating with limited financial support. The Arts Council England and the National Lottery Heritage Fund are both able to invest in Fenland. Coordination is required to match expertise to draw down funding with local communities who have ideas and want to make things happen.
- Migrant workers from Europe are essential to the agricultural industry in Fenland. . "The impact of migration in the Fenland area: A scoping report" 2019, commissioned by the Rosmini Centre as part of the Migrant Workers' Mapping Project, recognised that there are conflicting conclusions on the overall effect of migration on community cohesion, often depending upon whether migration is permanent, seasonal or cyclical, with greater social cohesion found to occur over time as migrants become more established in communities. There are case studies around England where sharing and celebrating cultural activity from different countries has contributed towards improved community cohesion.

Outcomes

Connections

- Assets in the cultural sector will be well networked, both within Fenland and further afield, in order to build partnerships that can lever in funding and build infrastructure across the District.
- Networks share skills and support volunteers.
- Cultural activity in Fenland more accessible.

Communication

- A focused communications campaign celebrates the culture of Fenland, and key people and their achievements.
- Fenland is a cultural destination, linking it to the strong heritage and unique nature of Fenland traditions and natural landscapes.
- Information about cultural activity in Fenland will be centralised, creating an information Hub with a dedicated coordinator to promote Fenland's culture and join up marketing of culture into a multi-faceted offer across the District.

Empowerment

- Additional community connectors will be identified and supported to work with communities in order to develop their skills and confidence in creating cultural opportunities.
- Young people are supported to be heard within cultural plans, as well as supported to achieve their own cultural ambitions.
- Address the skills gap within Fenland's cultural sector, identifying opportunities to support young people to train in the sector and gain experience and skills as well as uplifting the skills of existing practitioners and cultural sector workers in Fenland.

Inspiration

- Inspiring events and activities will take place in Fenland on a regular basis, bringing high quality arts to the District, co-programmed with communities and appropriate for the different towns, and drawing larger audiences from further afield to engage with it. Fenland has great potential for outdoor events, such as festivals, with its market places, fields and green open spaces.
- A Creative Hub will be developed, perhaps making use of an existing venue to become an arts centre, hosting regular activities and attracting creative people to work and programme there.

Delivering the Strategy

An infrastructure needs to be built that will drive and deliver this Strategy over the next 10 years, embedding it across Fenland:

- **Leadership Steering Group.**

The Steering Group that loosely exists at present, should be formalised and developed to provide the Leadership to drive this Strategy. The Steering Group will connect existing cultural providers in the District to deliver against the Strategy.

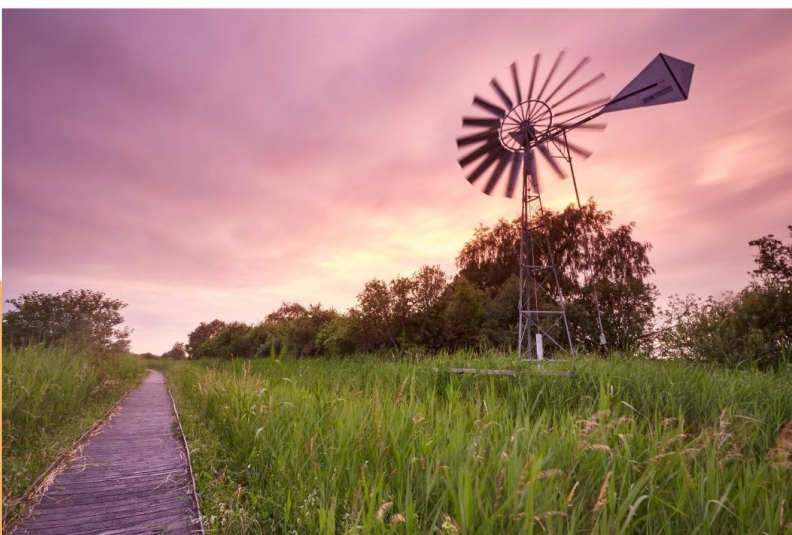
It is anticipated that the work of the Steering Group will be broad. To ensure that local expertise, with a local approach (not necessarily linked professionally to the culture sector) is used to move the cultural agenda forwards, the Steering Group will use sub-groups to drive progress with specific local input from time to time.

This approach will lend itself to adding a Fenland-centric approach to delivering the broader Strategy aims. Feedback regarding the draft strategy highlighted that a more Fenland specific approach could be added in. This will be the role of the Steering Group withing a focussed action plan.

Additionally, it is expected that areas within Cambridgeshire and Peterborough that have a more mature and experienced cultural offer, may be able to work together with those that are still developing. Members of the Steering Group will work together across the County to bring knowledge into Fenland, learning from our neighbours. This approach should fit well with Area Partnership Funds that the Arts Council is considering for their Let's Create Strategy delivery model – due in Spring 2021.

- **Development post**

External funding will be sought to establish an Arts & Heritage Development officer who can facilitate key actions of this Strategy in the first three years, working with the community to bring people together to create sustainable growth in creative activity and heritage.



- **Community Connectors**

The Steering Group will identify and support, accessing funding where possible Community Connector roles with a remit to develop community groups in cultural activity. (Existing roles include Care Network Community Development Workers, County Council Fascinating Fens, Fenland 6 Museums, Festival Bridge, Young Fenland Cultural Consortium, Cambridgeshire ACRE).

DRAFT Action Plan – to be further developed, reviewed and focussed on Fenland and then adopted by the Steering Group

Years 1-2

- **Arts and Heritage Development Officer (AHDO)** post established to drive the strategy action plan and connect cultural organisations across the district, enabling more creative and cultural activity to take place, whilst also supporting identification and the drawdown of external funding. The post should be a 3-year post to embed cultural activity into Fenland and ensure its sustainability. Funding from Arts Council England and Historic England to support this post, with some local matched funding identified;
- The AHDO post will focus on supporting the local cultural sector recovering from the pandemic; building resilience and infrastructure into the sector, **enabling connections** between organisations in order to strengthen them and putting in place the means to communicate more effectively about culture in Fenland; and to **represent culture within other sectors**, using creativity to support the economy, tourism, wellbeing, skills development and the environment. It should be remembered that more than 25% of the Fenland population live in villages and support for this population should be included in developing plans;
- **Support existing groups** and initiatives to grow and be sustainable, such as 20Twenty, Angles Theatre, Rural Touring Scheme, Blackfield Creatives, Museums etc. Work with these organisations to support **opportunities for young people** to develop skills in the cultural sector;
- **Establish the cultural infrastructure** necessary to drive the strategy, addressing Leadership and the Steering Group, and Community Connectors. The inclusion of younger people in this group should be ensured;
- Develop opportunities to **address skills gaps** in the cultural sector, for existing practitioners but also for young people. Make use of networks, local organisations and organisations from outside Fenland who can provide training and develop skills in the cultural sector. Encourage initiatives to involve young people in heritage, perhaps modelled on the Kick the Dust initiative (by The National Lottery Heritage Fund, 2016-2019) as an example of innovative practice.

Years 2-5

- **Conduct a study into the feasibility of an independent, sustainable Arts Centre** with cultural facilities. An arts centre would need to support a number of cultural organisations who can

use the venue to make it viable. A long-term plan would need to be developed if this is to become a reality;

- **Marketing campaign** that joins up all cultural activity in Fenland, linking it to tourism. This approach should develop a realm of togetherness in Fenland encouraging more local creative and cultural events and festivals in turn leading to more modern public art to inspire local residents
- Give creative and community led activity the support and encouragement to use creativity to **celebrate Fenland's natural heritage** and visibility as a tourist destination, and other projects or opportunities that raise Fenland's profile;
- Work with **all communities** to develop events and projects to share cultural traditions with the wider population of Fenland;
- Develop initiatives to **improve transport links** that support cultural activities and venues, enabling more people to access these offers across Fenland;
- Develop **Information Hubs** in key local places, such as village noticeboards, pubs, community venues, and through word of mouth, making use of Community Connectors to ensure that information is shared across the District into very local areas;
- **Develop links with national and international organisations** who can bring new, inspiring work to Fenland. These should include outdoor arts / festival networks and rural touring networks;
- Develop **new events and activities** and expand existing ones to include new, inspiring creative work, co-produced by communities and young people. This should include outdoor arts and festivals, linking the existing Seasons Festivals in the towns with the apprenticeship post to develop Producers of the future;
- **Lever in funding** from the National Lottery Heritage Fund and elsewhere to support **heritage** organisations in Fenland. Network these organisations to enable them to work together to access larger, more ambitious funding.
- Develop projects to upgrade the use of **new technology** for heritage venues, including establishing their presence online as well as integrating new technology into their venues, displays and operations, and developing digital skills for heritage workers.

Years 5-10

- Build on successes to introduce **new activities** into Fenland and to grow existing ones;

- **Link with national and international cultural organisations** to bring high profile artistic works to Fenland;
- Have established the **unique selling point** of Fenland and be communicating this to the world;
- Build on opportunities to have more **apprenticeships** and develop **career opportunities** in arts and heritage within the District, investing in young people to develop skills and continue cultural growth into the future;
- Establish an **Arts Centre** and/or other cultural facilities, if deemed feasible, within the District with good links for it to be accessible to as many residents of Fenland as possible. Continue to develop the offer of these facilities, establishing programmes of activities and events.

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Agenda Item No:	9	
Committee:	Cabinet	
Date:	23 February 2021	
Report Title:	Project Update - Growing Fenland & CCC £5m Communities Capital Fund	

1 Purpose / Summary

Significant capital funding has recently been made available to Fenland District Council via the following schemes:

- Cambridgeshire & Peterborough Combined Authority (CPCA) Market Towns Initiative (which has been given the working title of Growing Fenland)
- Cambridgeshire County Council (CCC) £5m Capital Communities Fund

This report gives an update on the progress of funding bids submitted to both schemes including any resulting capital or revenue implications for the Council should the bids be successful.

2 Key issues

- The CPCA has made funding available through their Market Towns Initiative to deliver the priorities outlined in the Growing Fenland town plans.
- Changes to the original programme included:
 - Capital funding available has doubled to £1m (ring-fenced for each town).
 - Deviation from the approved Growing Fenland plans will be permitted if linked to supporting recovery from the COVID-19 pandemic.
 - An element of match funding will be required.
 - FDC were originally the accountable body for all funding received, but each application is now being reviewed to enable funding to go straight to third parties who are best placed to deliver specific projects.
 - Capital funding to be spent by March 2022.
- The funding made available through the CCC £5m Capital Communities Fund also requires an element of match funding.
- This report provides an update on projects at various stages of submission to both funding streams.
- A number of these projects may link to other initiatives, such as the Local Economic Recovery Strategy.
- It should be noted that some of the projects submitted through both initiatives relate to FDC owned assets and some projects may require capital or revenue contributions from the FDC capital or revenue budget either immediately or in the future.
- Projects requesting match funding from FDC's revenue or capital budget are set out in the recommendations below.

3 Recommendations

To note the content of the report and projects due to be submitted to the next CPCA Board Meeting on 24.03.21 as set out in appendix E.

CCC Capital Communities Fund:

- No further action required

Growing Fenland:

- Cabinet members are asked to note confirmation of CPCA funding requested in the table below.

TOWN	PROJECT	CPCA FUNDING REQUESTED	CAPITAL COST IMPLICATIONS FOR FDC	REVENUE COST IMPLICATIONS FOR FDC (PER YEAR)	PROJECT TO BE DELIVERED BY
Chatteris	Chatteris Skills Development	£36,178	£0	£0	Stainless Metalcraft
Wisbech	Wisbech Water Park	£147,500	Circa £125,000 (please note point 5.14 in main report)	£0 (please note point 5.14 in main report)	FDC & Wisbech Town Council

Wards Affected	All wards
Forward Plan Reference	
Portfolio Holder(s)	Cllr Chris Boden - Leader of the Council Cllr Jan French - Deputy Leader of the Council Cllr Ian Benney - Portfolio Holder for Economic Growth
Report Originator(s)	Paul Medd - Chief Executive Carol Pilson - Corporate Director Peter Catchpole - Corporate Director Jo Blackmore - Executive Officer
Contact Officer(s)	Paul Medd - Chief Executive Carol Pilson - Corporate Director Peter Catchpole - Corporate Director Jo Blackmore - Executive Officer

Background Paper(s)	<p><u>Cambridgeshire & Peterborough Combined Authority Board Meeting minutes - 28.03.18</u></p> <p>Growing Fenland reports tabled at FDC Cabinet meeting held on 09.01.20:</p> <p><u>Growing Fenland Town Reports</u></p> <p><u>Growing Fenland Overarching Strategic Report</u></p> <p>Details of Cambridgeshire County Council £5m Communities Capital Fund</p> <p><u>CCC £5m Capital Community Fund</u></p>
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4 Background

- 4.1 Significant capital funding has recently been made available to Fenland District Council via the following schemes:
- Cambridgeshire & Peterborough Combined Authority (CPCA) Market Towns Initiative (which has been given the working title of Growing Fenland)
 - Cambridgeshire County Council (CCC) £5m Capital Communities Fund
- 4.2 This report gives an update on the progress of funding bids submitted to both schemes as well as any resulting capital or revenue implications for the Council should the bids be successful.

5 Growing Fenland

Introduction

- 5.1 Following a successful pilot scheme undertaken in St Neots, the Cambridgeshire & Peterborough Combined Authority (CPCA) Board committed to provide funding to create a masterplan for growth for each market towns within the CPCA area (as recorded in the actions from the [CPCA Board meeting held on 28.03.18](#)).
- 5.2 With the aim of bringing jobs, infrastructure and growth the Fenland area, the masterplans would also enable each of our towns to become and remain "vibrant and thriving places" in their own right whilst helping to boost the local and regional economy. The recent COVID-19 pandemic has brought a sharper focus to this work as communities and businesses adapt to new ways of working, shopping and socialising in the midst of a recession.
- 5.3 A commitment of £50k was made by the CPCA to produce a masterplan for each town. In Fenland, funding was originally provided for Chatteris, March and Whittlesey only (£150k in total) due the ongoing Wisbech 2020 Vision work. However, a decision was later made to include Wisbech in the process and a further £50k was committed to the Fenland project.
- 5.4 The master planning project was given a working title of 'Growing Fenland' which linked the proposed growth of the local economy to our important agricultural heritage.
- 5.5 Four town masterplans were produced, following the process outlined in the '[Growing Fenland - Town Reports](#)' paper tabled at the FDC Cabinet meeting held on 09 January 2020.
- 5.6 All four town reports were approved at number of formal meetings from October 2019 to January 2020 which included:
- All four town council meetings
 - FDC Cabinet meeting (09.01.20)
 - CCC Communities & Partnership Committee (23.01.20)
 - CPCA Board Meeting (29.01.20)

CPCA Market Towns Initiative Funding

- 5.7 At the start of the project, the capital funding due to be made available by the CPCA was thought to be in the region of £50k per town. However, the Board of the CPCA

[unanimously approved revised plans for their Market Towns Programme](#) at their board meeting held on 3 June 2020.

- 5.8 Changes to the original programme included:
- Capital funding available was doubled to £1m (ring-fenced for each town)
 - Deviation from the approved Growing Fenland plans would be permitted if linked to supporting recovery from the COVID-19 pandemic
 - An element of match funding would be required where possible
 - Capital funding to be spent by March 2022
- 5.9 Further information on the CPCA Market Towns Programme can be found in the following documents:
- CPCA Market Towns Programme Investment Prospectus - June 2020 (appendix A)
 - Guidance for Market Town Funding Applications - June 2020 (appendix B)
 - CPCA Market Towns Programme Funding Application Form (appendix C)

Growing Fenland bids

- 5.10 The Growing Fenland Town Teams have been meeting regularly to discuss and submit bid applications to the CPCA to draw down the £1m funding allocated to each town.
- 5.11 A number of bids have already been successful, and they are shown in the table below (for further details, please see appendix D attached):

TOWN	PROJECT	CPCA FUNDING ALLOCATED	DATE OF DECISION BY CPCA	PROJECT TO BE DELIVERED BY
Whittlesey	Interactive Flood Signs*	£56,500	30.09.20	CCC / Whittlesey Town Council
Wisbech	Wisbech Market Place Enhancement Scheme*	£200,000	30.09.20	Wisbech Town Council
Chatteris	Chatteris Town Centre Renaissance Fund**	£100,000	25.11.20	Chatteris Town Council
Whittlesey	Whittlesey Heritage Visitor Centre**	£500,000	25.11.20	Whittlesey Town Council
Whittlesey	Whittlesey Heritage Walk**	£218,169	25.11.20	FDC / Whittlesey Town Council
March	Match funding for March Future High Street Fund	£9,000 Growing Fenland March + £11,000 from the CPCA = £2m total	27.01.21	FDC
Whittlesey	Business Capital Grants Scheme	£124,331	27.01.21	FDC
Wisbech	Footfall Counters	£19,500	27.01.21	Wisbech Town Council
Wisbech	Replacement Shopwatch Radios	£33,800	27.01.21	Wisbech Town Council
Wisbech	Business Capital Grants Scheme	£200,000	27.01.21	FDC
District Wide	Civil Parking	£400,000	27.01.21	FDC

Scheme	Enforcement			
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*For further details on bid submissions, please see the Projects Update report tabled at the FDC Cabinet Meeting held on 21.10.20.

**For further details on bid submissions, please see the agenda pack for the [CPCA Board Meeting held on 25.11.20](#).

- 5.12 The **Wisbech Water Park** proposal was deferred prior to the CPCA meeting on 25 November 2020 as additional information was requested. This information has been collated and re-submitted with the original bid ready for the next CPCA Board Meeting scheduled for 24 March 2021 (please also see point 5.14 below).
- 5.13 Further bids are due to be submitted to the next CPCA Board Meeting scheduled for 24 March 2021 (for more detail, please see appendix E attached). The capital and revenue expenses for FDC are shown below:

TOWN	PROJECT	CPCA FUNDING REQUESTED	CAPITAL COST IMPLICATIONS FOR FDC	REVENUE COST IMPLICATIONS FOR FDC (PER YEAR)	PROJECT TO BE DELIVERED BY
Chatteris	Chatteris Skills Development	£36,178	£0	£0	Stainless Metalcraft
Wisbech	Wisbech Water Park	£147,500	Circa £125,000 (please note point 5.14 below)	£0 (Please note point 5.14 below)	FDC / Wisbech Town Council

- 5.14 It should be noted that the expected lifespan of the **Wisbech Water Park** equipment is around 10 years. To replace the equipment at the end of its useful life is likely to cost circa £125,000 and it is recommended that FDC acknowledge this and review in line with its asset management plans in place for Parks and Open Spaces and will be subject to funding availability at the time. Wisbech Town Council will underwrite all revenue costs (which was agreed at the Wisbech Town Council meeting held on 14.12.20).
- 5.15 The towns of March and Whittlesey have now submitted bids (which have subsequently been approved) for 100% of their £1m allocation. Therefore, no further bids will be submitted from these two Growing Fenland teams.

Growing Fenland - next steps

- 5.16 Completed bid documents will be submitted to the CPCA Board meeting scheduled for 24 March 2021 as outlined above, once any revenue and capital costs are approved by FDC Cabinet. Links to documents submitted to the CPCA Board meeting scheduled for 24 March 2021 will be circulated to Cabinet members.
- 5.17 The outcome of these bid submissions will be included in the next Projects Update Report presented to Cabinet members.

- 5.18 Details of bids due to be submitted to subsequent CPCA meetings will be brought to an FDC Cabinet meeting prior to submission to the CPCA.

6 Cambridgeshire County Council £5m Communities Capital Fund

Background

- 6.1 A £5m fund aimed at creating opportunities and improving lives and skills across Cambridgeshire was launched by Cambridgeshire County Council (CCC) on 7 April 2020.
- 6.2 Bid submissions were welcomed if they could demonstrate that they would:
- bring people together and involve them in the design and implementation
 - improve local places and spaces that are important to communities
 - help to address local priorities, e.g. increasing skills, reducing loneliness, improving physical and mental health
 - improve access to new or existing services or activities, e.g. sports, leisure, education
 - demonstrate match funding - this could include in kind contributions, land transfer etc
 - minimise any potential impact on carbon emissions
- 6.3 Bids could be submitted by any voluntary, community organisation or social enterprise alongside public bodies such as district, parish and town councils, schools or any other organisation that could demonstrate how their project would benefit Cambridgeshire residents.

Submission process

- 6.4 Each bid could apply for up to £500,000 of capital funding. Bids were to be considered on a 'first come, first served' basis.
- 6.5 CCC requested that bids were submitted via the local county councillor or community champion.
- 6.6 An expression of interest was submitted initially, and a more detailed business case was requested if the project passed the first stage. For further detail, please see appendix F attached.

Projects submitted to the CCC £5m Communities Capital Fund

- 6.7 A number of projects were submitted to the CCC £5m Communities Capital Fund. A summary of the successful projects is shown in appendix G attached.
- 6.8 Cabinet are asked to note the following updates on 2 of the projects being delivered by FDC in partnership with other stakeholders:

- **West End Park, March**

Improvements to the tarmac path close to the river and a new path linking the main path through the park to the bandstand are almost complete. The run path for ParkRun is almost completed as well – with pathway works being delayed several times due to the inclement weather experienced in the past few weeks. Fencing the skate park off from the rest of the park is also underway, with all pathway and fencing works due to be completed in the coming weeks (weather dependent).

The play area extension is awaiting the results of a supplementary third party funding bid.

- **Wisbech Park Pavilion**

The cost of this project is likely to be £500,000. A bid for additional funding from the CPCA as part of the Growing Fenland project may be submitted, depending on the outcome of other bids for the town.

- 6.9 The CCC £5m Communities Capital Fund is now closed to any further Expressions of Interest having been oversubscribed.

7 Effect on corporate objectives

- 7.1 The corporate objectives which link to the Growing Fenland project area as follows:

7.2 Communities

- Support vulnerable members of our community
- Promote health & wellbeing for all
- Work with partners to promote Fenland through culture and heritage
- **Environment**
- Work with partners and the community on projects that improve the environment and our street scene
- Work with partners to keep people safe in their neighbourhoods by reducing crime and anti-social behaviour and promoting social cohesion
- **Economy**
- Attract new businesses, jobs and opportunities whilst supporting our existing businesses in Fenland
- Promote and enable housing growth, economic growth and regeneration across Fenland
- Promote and lobby for infrastructure improvements across the district

8 Conclusions

- 8.1 Attracting funding to deliver the priorities outlined in the Growing Fenland Town Reports is key to driving economic growth whilst celebrating the unique character and strengths of each individual area.
- 8.2 The CCC £5m Communities Capital Fund has provided additional opportunities to deliver projects that will benefit the local community.
- 8.3 Projects that are successfully funded through these funding streams will help to deliver many of the Council's corporate objectives as well as a number of targets set out within the [CPCA's Business Plan for 2020/21](#).
- 8.4 Further update reports will be tabled at future Cabinet meetings to ensure that any capital and/or revenue costs taken from FDC budgets can be considered.

APPENDIX A

CPCA MARKET TOWNS PROGRAMME INVESTMENT PROSPECTUS - JUNE 2020

INTRODUCTION – GROWING THE CAMBRIDGESHIRE & PETERBOROUGH SUB-ECONOMIES

The Market Towns Programme is a substantial commitment being made between the Combined Authority and the local areas, with scope to develop key market towns for significant impacts on the growth of sub-economies. Successful delivery of the programme will have positive benefits to residents, businesses, and workers within the CPCA area.

The Combined Authority is committed to the future prosperity and success of every market town in the county and is investing in making this a reality through working closely with Town Councils, District Councils' and local partners across Huntingdonshire, Fenland and East Cambridgeshire to deliver eleven Masterplans for key market towns. The Market Towns Programme was piloted in St Neots as part of the Mayor's 100 Day Plan.

LOCAL INDUSTRIAL STRATEGY PRIORITIES

The Market Towns Programme endorses Mayor Palmer's target for the region, to double its Gross value added (GVA) over the next twenty years. For this to be achieved, the areas market towns will be required to 'do their bit' to improve the three economies.

The LIS has detailed the key areas of action needed to support the Combined Authority's devolution deal commitment to doubling the size of the Cambridgeshire and Peterborough economy. It has identified the key strengths and challenges of the distinct sub economies of the Fens, Greater Peterborough and Greater Cambridge, detailing the strategy for supporting broad-based growth and spreading prosperity to more people.

A commitment was made by the CPCA to produce a Masterplan for each of the key market towns (based on new research and analysis required to deliver the bold growth ambitions) and their interventions hereby enshrine the importance of inclusive growth, in line with CPIER and LIS recommendations.

Applicants will need to demonstrate how they help deliver against LIS priorities through capital investment that will:

- Further develop infrastructure through planned transport, digital and energy interventions across the Combined Authority partnership.
- Deliver integrated approaches to business support, ensuring businesses and potential businesses have the access to the right kind of space, access to growth coaching and supporting networks to help them.
- Harnessing innovation as a tool for business growth, generating world class research.
- Improving education and training levels to ensure businesses have the skills they need, and people have better opportunities.

The Local Industrial Strategy can be viewed [here](#).

MARKET TOWNS PROGRAMME

A third of our population lives in market towns, with nearly as many again living in surrounding areas. Although links with our core cities are vital, investment and attention has often favoured cities and forgotten the role that market towns play for our region. Alongside this under-investment towns are facing many external pressures like the declining town centres and high streets, an ageing population, and a reduction of in-town job opportunities leading to more outward commuting.

Many of the market towns and villages surrounding Cambridge have rich visitor opportunities, which if developed into a more coordinated offer can bring in revenue and create real economic opportunities. Business tourism is very important as well and has an important impact on the growth and productivity of other sectors in the economy, especially in knowledge intensive industries.

A Masterplan for each of the eleven market towns across the region provides the opportunity to look at the unique features of each town and offers deliverables which will benefit the immediate and wider economy.

With the aim of bringing jobs, infrastructure and growth, the Market Towns Programme will enable each town to become and remain "vibrant and thriving places" whilst helping to boost the local and regional economy.

PROGRAMME FUNDING CRITERIA

The CPCA is providing capital investment to mobilise each town masterplan and to act as a funding catalyst to securing additional investment. This is an open call – that will last until all available resources have been invested, or the Board decides to issue further instruction.

This Investment Prospectus outlines the process that allocates funding and manages the process post allocation. A transparent and consistent approach has been established to oversee delivery of the Market Towns Programme. All funding applications will be assessed in accordance with specific call specifications & criteria (including match funding and value for money), set against delivery and implementation of each CPCA approved Masterplan.

Given the transformative aims of the Programme, the CPCA is especially keen to see movement on the more ambitious projects set out in the Masterplans and prospectuses for growth and will prioritise these. And whilst there will be opportunities for longer term projects, applications will have more chance of approval if they can also demonstrate fast impact, especially to support COVID economic recovery over the next 9 months to the new financial year when unemployment impacts of COVID are expected to peak. Applicants are encouraged to explicitly set out how project proposals respond to the challenge of a post Covid-19 economy and how they help reshape and transform the high street and towns, so they are fit for the future.

Applicants are asked to also consider promoting healthier lifestyles for market town communities – including active travel & air quality benefits and supporting a greener economy.

To secure funding, local authority leads will be invited to submit bids against the following programme eligibility and funding criteria:

- Market Towns funding is allocated to East Cambridgeshire, Fenland, and Huntingdonshire and cover the market towns of St Neots, St Ives, Huntingdon, Ramsey, Wisbech, March, Chatteris, Whittlesey, Ely, Soham and Littleport.
- Market Towns funding must be spent at the latest by 31 March 2022, or earlier as specified within the funding agreement. Deliverability of projects will be an important factor in appraising proposals.
- Proposals are invited to support the mobilisation of each Masterplan and against activities which address the needs and those interventions identified as required to drive targeted growth and regeneration of each town.
- Proposals will be required to set out how they can support the tailoring of local economic policy for each market town to increase the attractiveness of towns for the new generation of lifestyle entrepreneurs.
- The prospectus is seeking proposals for capital investment only. There is no revenue funding available through this prospectus.
- CPCA funding will be provisionally shared across the 10 market towns, with applicants able to bid for up to £1m of capital funding for each town. Consideration will be given to a variety of funding proposals, and applicants will have the opportunity to bid for one or few investments (several smaller scale interventions) against the £1m funding cap for each town. Any unallocated funds will be made available to all 11 market towns.
- In addition, the CPCA has also agreed to recycle £3.1m market town investment back into St Neots and this will be also administered through the Investment Prospectus process. This makes the total CPCA investment being pledged to support delivery of Market Town masterplans is £13.1m across the 11 market towns.
- If the total project(s) cost is likely to exceed the £1m threshold for each town, then a demonstration of a phasing approach would help show how initial funds can be used now, while raising additional funds or investment from other sources.
- Applicants should seek their own advice on State Aids implications of the proposed project, and evidence of this will be sought as a condition of funding. Combined Authority funding cannot be used towards State Aids or other legal costs incurred by the project delivery body as part of the application process. The Combined Authority will not reimburse legal or other costs incurred during applications, whether the application successful or unsuccessful in seeking funding.

COVID RECOVERY

Applicants are also be asked to consider how market towns can support Covid-19 recovery for Cambridgeshire & Peterborough, focusing on the anticipated changes in behaviour around the use of public transport, commercial and public community space, and the revitalisation of High Streets.

Proposals should outline how market town interventions can help support and sustain Government recovery plans based on new econometrics around increased home/remote working and shared commercial space, improve public transport systems, repurpose community space and enhance infrastructure connectivity.

APPLICATION PROCESS & FUNDING APPROVAL

- The process will be a one-stage application process and applicants will be invited to complete an application form for each project to the Combined Authority. Applicants will have the opportunity to have initial discussions with relevant Combined Authority officers regarding eligibility and the suitability of the proposed project.
- Due diligence and appraisal will be initially managed by the Combined Authority, where the strategic need, economic and commercial case for each project proposal will be examined based on delivery of CPCA approved Masterplans.
- All proposals will be assessed against a set of appraisal metrics. Appraised applications will be scored and ranked based on the programme criteria. This approach will help manage any oversubscription of programme funds.
- Recommendations will be brought to the Entrepreneurial Advisory Panel (EAP) for independent review and then onto the CA Board for approval.
- It is expected that project proposals will be brought to Combined Authority Board for approval in July, September, and November 2020 for approval. The submission timeline for the next three Board cycles are as follows:

- **July Combined Authority Board** (Wednesday 5 August 2020) * for those proposals already in development and discussed with CPCA officers.

APPLICATION DEADLINE – FRIDAY 10 JULY 2020

- **September Combined Authority Board** (30 September 2020)

APPLICATION DEADLINE – FRIDAY 11 SEPTEMBER 2020

- **November Combined Authority Board** (25 November 2020)

APPLICATION DEADLINE – FRIDAY 30 OCTOBER 2020

FURTHER INFORMATION

- Application Form & Guidance



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY

APPENDIX B

GUIDANCE FOR MARKET TOWN FUNDING APPLICATIONS

June 2020

CONTENT

1. Key Purpose
2. Project Details
3. Project Deliverables
4. Funding Award Process
5. Supporting Documentation
6. Project Variance
7. Project Monitoring

1. Key Purpose

This guide is to assist district authorities applying for Market Town Funds to understand the process and the procedures in place at Cambridgeshire & Peterborough Combined Authority (CPCA) prior to and once funding has been agreed.

It covers the following:

- Proposal development
- Application
- Requesting any changes
- Reporting structure
- Key documents

2. Project Details

CPCA has committed capital funding to support economic growth of key market towns and to facilitate implementation of approved Masterplans, developed in partnership with district partners.

The Investment Prospectus outlines the process that allocates funding and manages the process post allocation. A transparent and consistent approach has been established to oversee delivery of the Market Towns Programme. Given the transformative aims of the programme, the CPCA is especially keen to see movement on the more ambitious projects set out in the Masterplans and prospectuses for growth and will prioritise these.

There will be opportunities for longer term projects, but applications will have more chance of approval if they can also demonstrate fast impact, especially to support COVID economic recovery over the next 9 months to the new financial year when unemployment impacts of COVID are expected to peak.

Applicants are encouraged to explicitly set out how project proposals respond to the challenge of Covid-19 recovery and helps reshape the high street to transform it, so it is fit for the future. Applicants are also asked to consider promoting healthier lifestyles for market town communities – including active travel benefits, air quality benefits and supporting a greener economy.

If the total project(s) cost is likely to exceed the £1m threshold for each town, then a demonstration of a phasing approach would help show how initial funds can be used now, while raising additional funds or investment from other sources.

3. Project Deliverables

Please refer to the below table and guidelines in setting out the project outputs and outcomes:

Employment & Skills					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
<i>Amount of newly created full-time jobs.</i>	<i>Temporary jobs (construction of contract based) as a direct result of intervention.</i>	<i>Wider job impacts as a result of indirect intervention.</i>	<i>Amount of newly created apprenticeship opportunities as a direct result of intervention.</i>		
Area of learning/training space improved (m2)	Area of learning/training space rationalised (m2)	New learners assisted (on courses to full qualification)			
<i>Amount of training/learning floor space refurbished to improve building condition and/or fitness for purpose. For FE Colleges, this should be by estate grading. Figures to be provided following completion.</i>	<i>Amount of training/learning floor space rationalised to operate more efficiently.</i>	<i>The number of new learners assisted as a direct result of the intervention, in courses leading to a full qualification.</i>			
Business & Enterprise					
Number of businesses receiving grant support (high street/town centres)	Number of businesses receiving grant support (wider town)	Number of businesses receiving non-financial support			
<i>Number of SMEs receiving grant funding support with the intention of improving</i>		<i>Number of SMEs receiving support (inc.</i>			

<i>performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). To be counted where the support is at least £1,000.</i>		<i>advice and training with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting).</i>			
Commercial					
Area of commercial floorspace to be created (m2)	Area of commercial floorspace to be refurbished (m2)	Area of public realm / outside space improved or enhanced (m2)	Area of commercial land / floorspace rationalised (m2)	Number of commercial premises with improved broadband access	
<i>Amount of newly created commercial floorspace as a direct result of intervention.</i>	<i>Amount of existing commercial floorspace improved or refurbished as a direct result of intervention.</i>	<i>Amount of newly created public realm improvements as a direct result of intervention.</i>	<i>Amount of commercial land or floorspace rationalised to operate more efficiently.</i>	<i>Amount of commercial properties with improved digital infrastructure and connectivity as a direct result of intervention.</i>	
Transport					
Length of new cycleway to be created (m)	Length of new footpaths to be created (m)	Number of new public transport services			
<i>Amount of newly created cycleway infrastructure as a direct result of intervention.</i>	<i>Amount of newly created footpath infrastructure as a direct result of intervention.</i>	<i>Amount of newly established transport links or improved services as a direct result of intervention.</i>			
Development Sites & Housing					

Area of land to be developed (m2)	Number of new housing units/dwellings to be created	Number of new housing units/dwellings to be refurbished			
<i>At the impact site, the area and class of development to be completed. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list.</i>	<i>Amount of new housing infrastructure creating new dwellings as a direct result of intervention.</i>	<i>Amount of existing housing stock to be refurbished as a direct result of intervention.</i>			
Community					
Area of new community floorspace to be created (m2)	Area of community floorspace to be refurbished (m2)	Area of community floorspace rationalised (m2)	Number of community groups receiving grant support		
<i>At the impact site, the area and class of community use development to be completed.</i>	<i>Amount of existing community use floorspace improved or refurbished as a direct result of intervention.</i>	<i>Amount of community use floorspace rationalised to operate more efficiently.</i>	<i>Number of community-based groups receiving grant funding support with the intention of improving performance.</i>		

4. Funding Award Process

- a. Project Proposals
 - i. Ideas should come from the approved Masterplan for each town and the interventions recommended therein. Consideration should also be given to Covid response related interventions to support short-medium term economic recovery to March 2021. Furthermore, ideas should all link in some way to the [Cambridgeshire and Peterborough Local Industrial Strategy](#)
- b. Application
 - i. The Application will be developed and submitted by the lead organisation (district authorities) on behalf of each town based on wider consultation with town councils.
 - ii. Due diligence and appraisal will be initially managed by the CPCA, where the strategic need, economic and commercial case for the projects will be examined based on proposed interventions for each town. All proposals will be assessed against an agreed set of appraisal metrics, and independent appraisals will be commissioned if needed for complex projects.
 - iii. The application and appraisal report will be submitted to CA Board and the project is recommended for approval, approval with conditions or rejection.
 - iv. If the project is deemed unsuitable for funding the lead organisation will be informed within 5 working days of the CA Board decision.
 - v. If the lead organisation wishes they can update the Application taking into account, the feedback from the CA Board and resubmit their project or they can stop the process.
 - vi. If the project is recommended for funding with conditions those conditions must be met before final approval is given by the CA Board.
 - vii. Once full approval is given the lead organisation will be issued with an Approval Letter.
 - viii. Further contractual arrangements are entered into with the CPCA Legal Team and are based on whether the funds are a grant fund or a loan arrangement.

5. Supporting Documentation

In order for your Application Form to progress you will need to provide additional supporting documents, these are:

- a. *Project Plan*
- b. *Risk Log*
- c. *Project cashflow spreadsheet*

6. Project Variance

A change to the project could be generated because of changes to:

- a. Cost
- b. Time
- c. Scope.



Any changes will be submitted by the lead organisation on the correct form and recommendations will be made to the CA Board.

The lead organisation will be informed via a formal Project Variation letter within 10 working days of the request being submitted.

7. Project Monitoring

- a. A [claim form](#) requesting payment and milestone update is required monthly/weekly.
- b. A formal highlight report is required monthly and should be completed by the Project Manager identified in the Application.

APPENDIX C

CPCA MARKET TOWNS PROGRAMME FUNDING APPLICATION FORM

APPLICANT DETAILS			
Project Title			
Market Town			
Lead Authority			
UK Registered Address			
Contact Person (please include job title and project role)			
Contact Telephone			
Contact Email			
VAT Registration Number		Companies House Registration Number	
Number of Employees			
Key Documents in Place	Equal Opportunities/Diversity Policy	Yes	No
	Modern Slavery Policy	Yes	No
	Health & Safety Policy	Yes	No
We do not require copies of these policies at this stage, please circle as appropriate			

PROJECT DETAILS
Project Description – please provide details of the project and what specifically will be delivered (please refer to the Investment Prospectus and Guidance)

Project Partners - please list any key partners in the project and the engagement on the project to date	
Proposed project Start date	
Proposed project Completion date (Please note: CPCA Market Towns funding must be spent by the project delivery body by 31 March 2022)	
Key Milestones – please detail project phasing to delivery	

PROJECT DELIVERABLES	
Project Outcomes - please indicate how the project will deliver against job outputs and wider economic outcomes, including any increases in productivity and volumes of trade exports (<u>please refer to the Investment Prospectus and Guidance</u>)	
Which key sector(s) does this project intend to support?	
Is the project part of a wider development/programme/project? If so, please	

provide details	
What is the current status of your project (or key elements)? E.g. In development, Outline design, Planning approved, Ready to start or Project underway?	
Is Planning Permission required? If so, by when is this anticipated?	
If the project includes development or redevelopment of land or premises, please indicate whether your organisation has control of the site or when you expect to have control or ownership	

SITE DETAILS (FOR CONSTRUCTION PROJECTS)	
Location	
Site Ownership	
Current Use	
Proposed Use	
Site Area (ha)	
Existing Built Floorspace (sqm)	
Planning Permissions?	
Section 106 Agreements?	
Existing Land Charges or Restrictions?	

SITE DETAILS (FOR REFURBISHMENT PROJECTS)	
Location	
Site Ownership	



Current Use	
Proposed Use	
Site Area (ha)	
Existing Built Floorspace (sqm)	
Planning Permissions?	
Section 106 Agreements?	
Existing Land Charges or Restrictions?	

PROJECT OUTPUTS 2020/21					
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.					
Employment & Skills					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
Area of learning/training space improved (m2)	Area of learning/training floorspace rationalised (m2)	New learners assisted (on courses to full qualification)			
Business & Enterprise					
Number of businesses receiving grant support (high street/town centres)	Number of businesses receiving grant support (wider town)	Number of businesses receiving non-financial support			
Commercial					
Area of commercial floorspace to be created (m2)	Area of commercial floorspace to be refurbished (m2)	Area of public realm / outside space improved or enhanced (m2)	Area of commercial land / floorspace rationalised (m2)	Number of commercial premises with improved broadband access	
Transport					
Length of new cycleway to be created (m)	Length of new footpaths to be created (m)	Number of new public transport services			

Development Sites & Housing					
Area of land to be developed (hectares)	Number of new housing units/dwellings to be created	Number of new housing units/dwellings to be refurbished			
Community					
Area of new community floorspace to be created (m2)	Area of community floorspace to be refurbished (m2)	Area of community floorspace rationalised (m2)	Number of community groups receiving grant support		

PROJECT OUTPUTS 2021/22					
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.					
Employment & Skills					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
Area of learning/training space improved (m2)	Area of learning/training floorspace rationalised (m2)	New learners assisted (on courses to full qualification)			
Business & Enterprise					
Number of businesses receiving grant support (high street/town centres)	Number of businesses receiving grant support (wider town)	Number of businesses receiving non-financial support			
Commercial					
Area of commercial floorspace to be created (m2)	Area of commercial floorspace to be refurbished (m2)	Area of public realm / outside space improved or enhanced (m2)	Area of commercial land / floorspace rationalised (m2)	Number of commercial premises with improved broadband access	
Transport					
Length of new cycleway to be created (m)	Length of new footpaths to be created (m)	Number of new or improved public transport services			

Development Sites & Housing					
Area of land to be developed (hectares)	Number of new housing units/dwellings to be created	Number of new housing units/dwellings to be refurbished			
Community					
Area of new community floorspace to be created (m2)	Area of community floorspace to be refurbished (m2)	Area of community floorspace rationalised (m2)	Number of community groups receiving grant support		

PROJECT OUTPUTS 2022/23 (Onwards)					
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.					
Employment & Skills					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
Area of learning/training space improved (m2)	Area of learning/training floorspace rationalised (m2)	New learners assisted (on courses to full qualification)			
Business & Enterprise					
Number of businesses receiving grant support (high street/town centres)	Number of businesses receiving grant support (wider town)	Number of businesses receiving non-financial support			
Commercial					
Area of commercial floorspace to be created (m2)	Area of commercial floorspace to be refurbished (m2)	Area of public realm / outside space improved or enhanced (m2)	Area of commercial land / floorspace rationalised (m2)	Number of commercial premises with improved broadband access	
Transport					
Length of new cycleway to be created (m)	Length of new footpaths to be created (m)	Number of new or improved public transport services			

Development Sites & Housing					
Area of land to be developed (hectares)	Number of new housing units/dwellings to be created	Number of new housing units/dwellings to be refurbished			
Community					
Area of new community floorspace to be created (m2)	Area of community floorspace to be refurbished (m2)	Area of community floorspace rationalised (m2)	Number of community groups receiving grant support		



FINANCIAL DETAILS				
Total Project Costs				
Total Capital				
Total Revenue				
Total Market Town Funds requested				
Please provide a financial summary for the project. All information should relate to the project for which Growth Funds are being sought				
	2020/21	2021/22	2022/23 onwards	TOTAL COSTS
COSTS (£)				
TOTALS				
Please submit any information which substantiates these values and costs				

PROJECT FUNDING			
Please provide details of the funding already secured and/ or any being sought in addition to Market Town Funds, including, where appropriate any funding certificates			
SOURCE	VALUE (£)	TYPE (CAP/REV)	STATUS
Please confirm the projected expenditure profile for the Market Town Funding requested			
MILESTONE	AMOUNT (£)	DATE	
Please describe any other options (including funding options) that have been considered and explain why the amount being requested is the minimum necessary in order for the project to proceed			

STATE AIDS
Please confirm the Project is State Aid compliant: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/325465/bis-14-943-state-aid-general-block-exemption-guidance.pdf
(Please provide a copy of any legal advice received in this respect)



PROJECT RISKS
What are the key risks associated with the project and identified mitigation measures?
Do you have any additional comments/information to support your application?

DECLARATION	
<ul style="list-style-type: none">• I/We certify that to the best of our knowledge the information provided is a true and accurate reflection of our business circumstances. If this is found not to be the case the application will be declined without any further reference to us.• I/We authorise Cambridgeshire & Peterborough Combined Authority (CPCA) undertake any searches or other investigations deemed necessary in the assessment of my/our application. CPCA is under no obligation to notify me/us of the nature of these searches.• I/We authorise CPCA to notify HM Government Ministry of Housing, Communities & Local Government (MHCLG) and any of its subsidiaries of our application, where, in the opinion of CPCA, alternative and more appropriate sources of funding may be available.• I/We confirm that CPCA may make enquiries of any person who may have access to information relevant to my/our application without prior reference to me/us.• I/We agree that CPCA may use our company name in conjunction with their marketing activities.• I/We agree that CPCA's decision is final.• I/We have read and understood the features and eligibility criteria of the Programme.	
Signature	
Name	
Position	
Date	

APPLICATION CHECKLIST

Please check you have included copies the following with your completed application:

- A completed and signed application form
- A spreadsheet setting out the timeline for drawing down funds against key project milestones
- A project cashflow spreadsheet (setting out all project costs and Market Towns funding)
- A completed Project Plan (template provided)
- A completed Risk Log (template provided)
- Lead organisation Health & Safety Policy
- Lead organisation Anti Slavery Policy
- Lead organisation Equal Opportunity Policy

Please note

- Submissions must be electronic
- Applicants agree to the information contained in this form being processed by Cambridgeshire & Peterborough Combined Authority for the express use of statistical analysis

COMPLETED APPLICATIONS

Please return completed Application forms to:

Domenico.Cirillo@cambridgeshirepeterborough-ca.gov.uk

If you have any queries, please contact the CPCA on 01480 277180

APPENDIX D

GROWING FENLAND PROJECTS - SUBMITTED BIDS - updated 08.02.21

REF	TOWN	PROJECT TITLE	PROJECT DESCRIPTION	FUNDING REQUESTED FROM CPCA	MATCH FUNDING	MATCH FUNDING PROVIDER	CAPITAL COST IMPLICATIONS FOR FDC	REVENUE COST IMPLICATIONS FOR FDC (PER YEAR)	CPCA BOARD MEETING DATE	BID SUBMISSION APPROVED?
WHI1	Whittlesey	Interactive Flood Signs	Interactive signs which will signal when the B1040 is closed due to flooding and can also be used to communicate other information to passing drivers	£56,500	£8,000	Whittlesey Town Council	£500	£0	30.09.20	Yes
					£500	FDC Leaders Fund				
WIS3	Wisbech	Wisbech Market Place	Modifications to Wisbech Market Place as part of a town centre improvement initiative	£200,000	£200,000	Wisbech Town Council	£0	£0	30.09.20	Yes
CHA2	Chatteris	Chatteris Town Centre Renaissance Fund	Refurbishment of street furniture and ornate streetlamps together with a grant fund available to business/retail unit owners and leaseholders in the centre of Chatteris for schemes to help improve the visual appearance of the town centre.	£100,000	40% of costs payable by businesses / retailers for grant fund	Local businesses / retailers	£0	None anticipated	25.11.20	Yes
WHI2	Whittlesey	Heritage Visitor Centre	A new visitor centre that showcases local artifacts and tells the story of Whittlesey, and Fenland more generally, from the Bronze Age to modern day.	£500,000	c £100,000	Value of land gifted by Forterra PLC	£0	TBC	25.11.20	Yes
					£8,000	Whittlesey Town Council				
					£1,666	FDC				

WHI3	Whittlesey	Heritage Walk	A walk starting and ending at the planned Heritage Visitor Centre (with alternative start & finish points in the town) providing residents and visitors with background information on key landmarks in the town	£218,169	£0	n/a	£0	£0	25.11.20	Yes
MAR1	March	Match Funding for March Future High Street Fund	Match funding for the March Future High Street Project following the receipt of an In-Principle offer letter from the Ministry of Housing and Local Government (MHCLG) for £6,447,129 of funding for ambitious plans submitted earlier in the year.	£9,000 + £11,000 CPCA funding = £2m in total	£0	N/A	£0	£0	24.03.21	Yes
WHI5	Whittlesey	Business Capital Grants Scheme	A capital grants scheme for the local business community to help mitigate against the effects of the COVID-19 pandemic	£124,331	£0	N/A	£0	£0	27.01.21	Yes
WIS9	Wisbech	Footfall Counters	Provision of additional footfall counters to monitor footfall in Wisbech Market Place	£19,500	£0	N/A	£0	£0	27.01.21	Yes
WIS13	Wisbech	Replacement Shopwatch Radios	Replacement of existing Shopwatch radio scheme with digital system	£33,800	£0	N/A	£0	£0	27.01.21	Yes
WIS14	Wisbech	Business Capital Grants Scheme	A capital grants scheme for the local business community to help mitigate against the effects of the COVID-19 pandemic	£200,000	£0	N/A	£0	£0	27.01.21	Yes
FEN1	District wide scheme	Civil Parking Enforcement	A bid for the capital costs involved with delivering a district wide Civil Parking Enforcement scheme. £100,000 to be allocated by each of the 4 market towns to deliver the scheme.	£400,000	£0	N/A	£0	£60,000 to £90,000 per annum (to be confirmed)	27.01.21	Yes

APPENDIX E

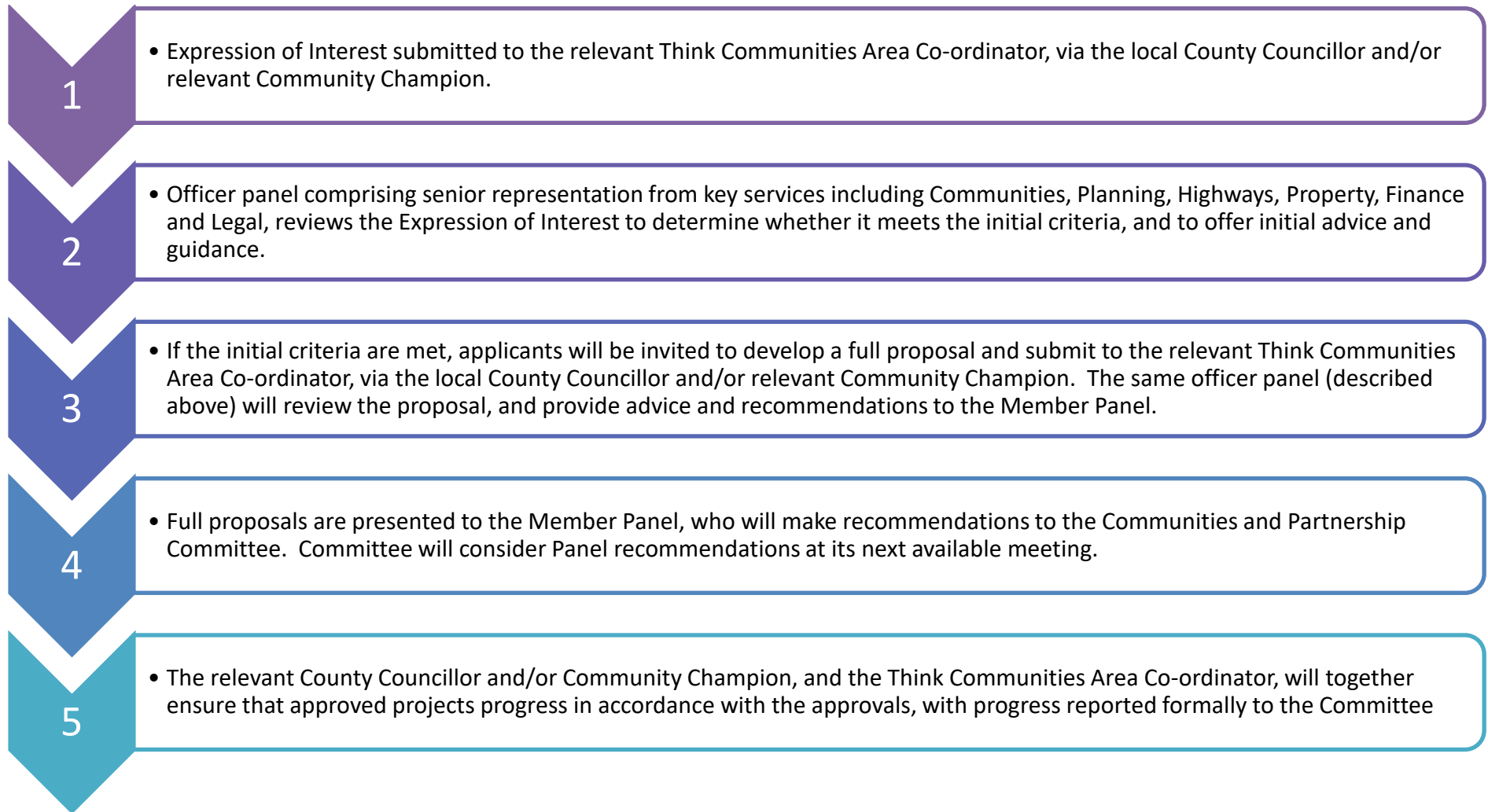
GROWING FENLAND PROJECTS - BIDS TO BE SUBMITTED - updated 08.02.21

Projects due to be submitted to CPCA Board meeting scheduled for 24.03.21

REF	TOWN	PROJECT TITLE	PROJECT DESCRIPTION	FUNDING TO BE REQUESTED FROM CPCA	MATCH FUNDING	MATCH FUNDING PROVIDER	CAPITAL COST IMPLICATIONS FOR FDC	REVENUE COST IMPLICATIONS FOR FDC (PER YEAR)	COMMENTS
CHA3	Chatteris	Chatteris Skills Development	Funding for ICT hardware and software to supports skills development	£36,178	£0	N/A	£0	£0	
WIS6	Wisbech	Wisbech Water Park	A water play space providing a permanent fun activity for families from Wisbech and the surrounding area, whilst also enhancing Wisbech Park, a key open space in the town.	£147,500	£2,500	Wisbech Town Council	c£125,000	£0	The CPCA have requested a commitment to underwrite any future capital or revenue shortfall. It is proposed that FDC underwrite the capital costs (replacement of equipment at the end of its useful life - likely to be 10 years) and Wisbech Town Council underwrite any revenue shortfall in addition to the annual revenue costs of c£1,500 per annum (agreed at the Wisbech Town Council meeting held on 14.12.20).

APPENDIX F

SUMMARY OF APPLICATION PROCESS FOR CCC £5M COMMUNITIES CAPITAL FUND



APPENDIX G

CCC £5m Communities Capital Fund

APPROVED SUBMISSIONS (FUNDING AWARDED)

REF	PROJECT NAME	BRIEF DESCRIPTION	CAPITAL FUNDING REQUIRED	MATCH FUNDING	PROJECT MANAGEMENT LEAD	DATE SUBMITTED	COMMENTS
3	March Town Rugby Club	<ul style="list-style-type: none"> New Club House facility 	£194,000	£126,000 – Sport England £TBC – March Rugby Club £TBC – Taylor Wimpy	March Town Rugby Club	30.04.20	£234,000 funding approved
6	West End Park (March)	<ul style="list-style-type: none"> Improve Park Run surface Tarmac path from park entrance to bandstand Enhance junior play area Skate Park Fence 	£75,000	£7,500 – FDC play area funding £2,500 – March Town Council £2,000 – in kind support from CCC	FDC	30.04.20	
8	Estover Park, March	<ul style="list-style-type: none"> Install fencing around whole site Lay pathways and patio Furnish kitchen and café area 	£35,000	£6,000	March Town Council	Not recorded	
10	Tower Hall, Friday Bridge	<ul style="list-style-type: none"> Provide 'fit for purpose' disabled toilet and improve other toilets Install solar panels with battery back up 	£36,000	£3,000 – Tower Hall £3,000 – Elm Parish Council (TBC)	Elm Parish Council	Not recorded	Maximum of £36k will be awarded, subject to confirmation of written quotes and planning permission.
14	Wisbech Market Place Enhancement Scheme	<ul style="list-style-type: none"> Enhancements to Wisbech Market Place 	£150,000	£50,000 - Wisbech Town Council	Wisbech Town Council	01.05.20	
18	Christchurch Outdoor Equipment	<ul style="list-style-type: none"> Details not available 	£15,000	Details not available	Possibly Christchurch Parish Council?	Not recorded	
19	Gorefield Extension to community parish hall	<ul style="list-style-type: none"> Details not available 	£198,000	Details not available	Possibly Gorefield Parish Council?	Not recorded	
7	Wisbech Park Pavilion	<ul style="list-style-type: none"> Develop a pavilion in the park as a multi-use community space including a pop up café 	£240,000	£10,000 – FDC £10,000 - Wisbech Town Council £5,000 (TBC) – Arts Council	FDC	Not recorded	

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DRAFT 6 MONTH CABINET FORWARD PLAN – Updated 10 February 2021



(For any queries, please refer to the published forward plan)

CABINET

CABINET DATE	ITEMS	LEAD PORTFOLIO HOLDER
Mon 22 March 2021	1. Draft Local Plan Update 2. Project Update – Growing Fenland & CCC Capital Community Fund 3. Civil Parking Enforcement Update 4. Cabinet Draft Forward Plan 5. Lettings Policy for the Allocation of Affordable Rented homes 6. Funding for March Future High Street Project from CPCA and MHCLG 7. Grant of Lease of Land at Manea 8. Wisbech High Street (confidential)	Cllr Laws Cllr Boden Cllr French Cllr Boden Cllr Hoy Cllr Boden / Cllr French Cllr Benney Cllr Seaton
Wed 14 Apr 2021	1. Cabinet Draft Forward Plan	Cllr Boden
Tue 18 May 2021	1. Project Update – Growing Fenland & CCC Capital Community Fund 2. Draft Local Plan 3. Cabinet Draft Forward Plan	Cllr Boden Cllr Laws Cllr Boden
TBC July 2021	1. Annual Report 2020/21 2. Treasury Management Annual Report 2020/21 3. Financial Outturn Report 2020/21 4. Project Update – Growing Fenland & CCC Capital Community Fund 5. Cabinet Draft Forward Plan	Cllr Boden Cllr Boden Cllr Boden Cllr Boden Cllr Boden

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