

Agenda Item No:	7	
Committee:	Cabinet	
Date:	09 January 2020	
Report Title:	Revised General Fund Budget and Capital Programme 2019/20; Draft General Fund Budget Estimates 2020/21 and Draft Medium Term Financial Strategy (MTFS) 2020/21 to 2024/25; Capital Programme 2020 - 2023	

## 1 Purpose / Summary

To consider and approve:

- the revised General Fund Budget and Capital Programme for 2019/20;
- the Draft General Fund Budget Estimates 2020/21 and the Draft Medium Term Financial Strategy 2020/21 to 2024/25 for consultation;
- Capital Programme 2020-2023.

## 2 Key issues

- Business Rates Baseline Funding (Settlement Funding Assessment) in 2020/21 is expected to increase by 1.7% (CPI as at September 2019). However, the Provisional Local Government Finance Settlement announcement is now not expected until late December 2019 or early January 2020. **Consequently, until the details of the Finance Settlement have been received, the figures detailed in this report should be treated as being provisional.**
- In accordance with the motion adopted by Council in July 2019, a 0% Council Tax increase has been included in the MTFS for 2020/21 and over the medium term.
- Council Tax Referendum limits for 2020/21 have yet to be formally announced. It is expected that they will be set at an increase of 2% or £5 whichever is the higher.
- Projections for 2019/20 are currently forecasting an under-spend of £293k at the end of the financial year. This means the budgeted contribution of £151k from the General Fund Balance will not be required, leaving a forecast under-spend of £142k.
- Current forecasts for 2020/21 show a shortfall of £254k based on the assumptions detailed in Appendix C. This shortfall increases year on year, reaching £1.407m in 2024/25.
- At this time, nothing has been included in the 2020/21 budget estimates and MTFS in relation to a number of additional resource opportunities (as detailed in paragraph 8.8 of the report). It is expected that these will enable the Council to deliver a balanced budget for 2020/21 without the need for any contribution from the General Fund Balance.
- An updated Capital Programme for 2019/20 and for the medium term 2020-23 is proposed.
- 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.

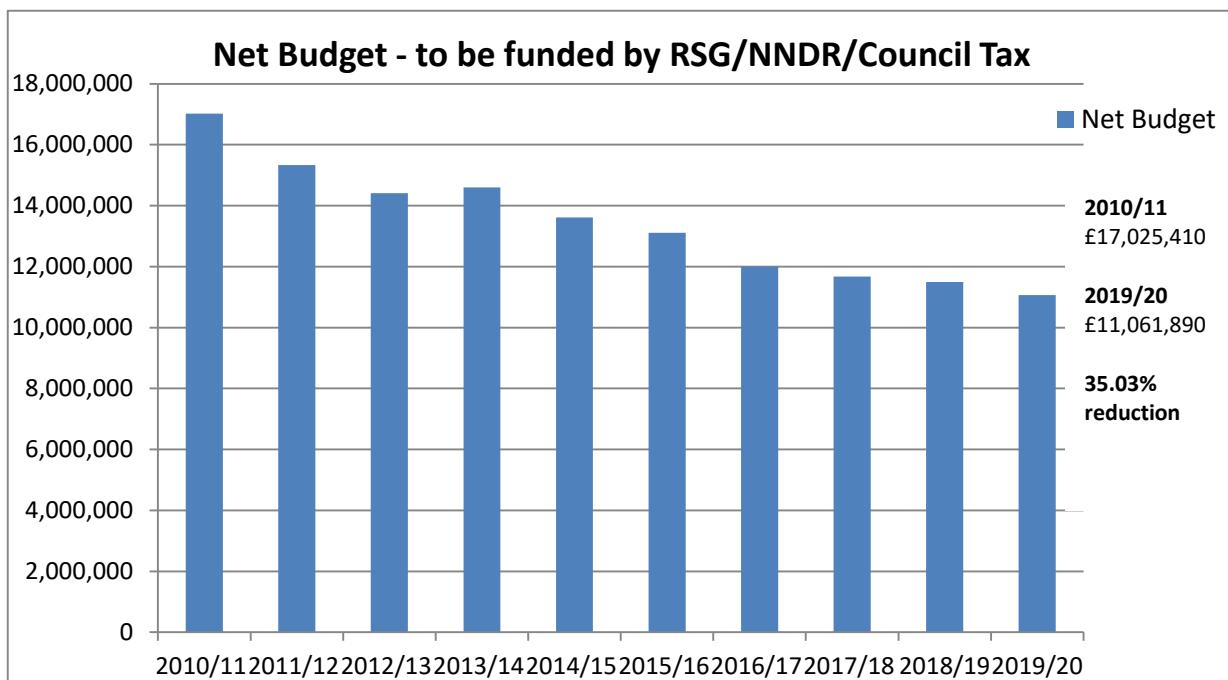
### **3 Recommendations**

- It is recommended that :-
  - the draft budget proposals for 2020/21 outlined in this report be approved for consultation;
  - the revised General Fund Budget and revised Capital Programme for 2019/20 be approved;
  - the proposed Capital Programme for 2020-2023 be approved.

<b>Wards Affected</b>	All
<b>Portfolio Holder(s)</b>	Cllr Chris Boden, Leader and Portfolio Holder, Finance
<b>Report Originator(s)</b>	Peter Catchpole, Corporate Director and Chief Finance Officer (S.151 Officer) Mark Saunders, Chief Accountant
<b>Contact Officer(s)</b>	Paul Medd, Chief Executive Peter Catchpole, Corporate Director and Chief Finance Officer (S.151 Officer) Mark Saunders, Chief Accountant
<b>Background Paper(s)</b>	Provisional Finance settlement – Ministry for Housing, Communities and Local Government (MHCLG). Spending Round 2019 (HM Treasury) Medium Term Financial Strategy working papers. Government announcements since February 2019.

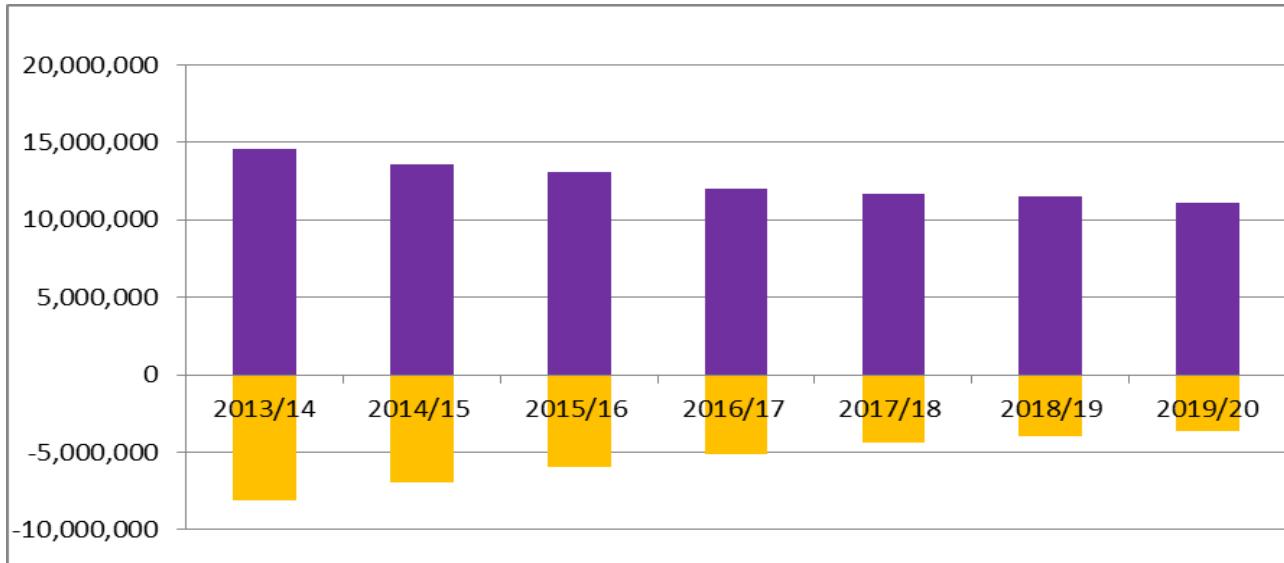
## 1 INTRODUCTION

- 1.1 This report sets out the financial implications of the council's priorities described in the draft Business Plan 2020/21. Revenue budget estimates are draft at this stage and along with the draft Business Plan will be subject to public and stakeholder consultation prior to final budget and council tax setting for 2020/21 in February 2020.
- 1.2 Much of the financial information provided is necessarily based on a number of assumptions which are wholly or partly influenced by external factors. Some of these factors, such as the final level of external grant support, the impact of the potential Business Rates Pooling arrangements and the level of Government set fees, will not be known until later in the process and any amendments will be reported to Cabinet and Council at the February 2020 budget setting meeting.
- 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 2019/20 it will have reduced by 35.03%. This is exemplified in the graph below:

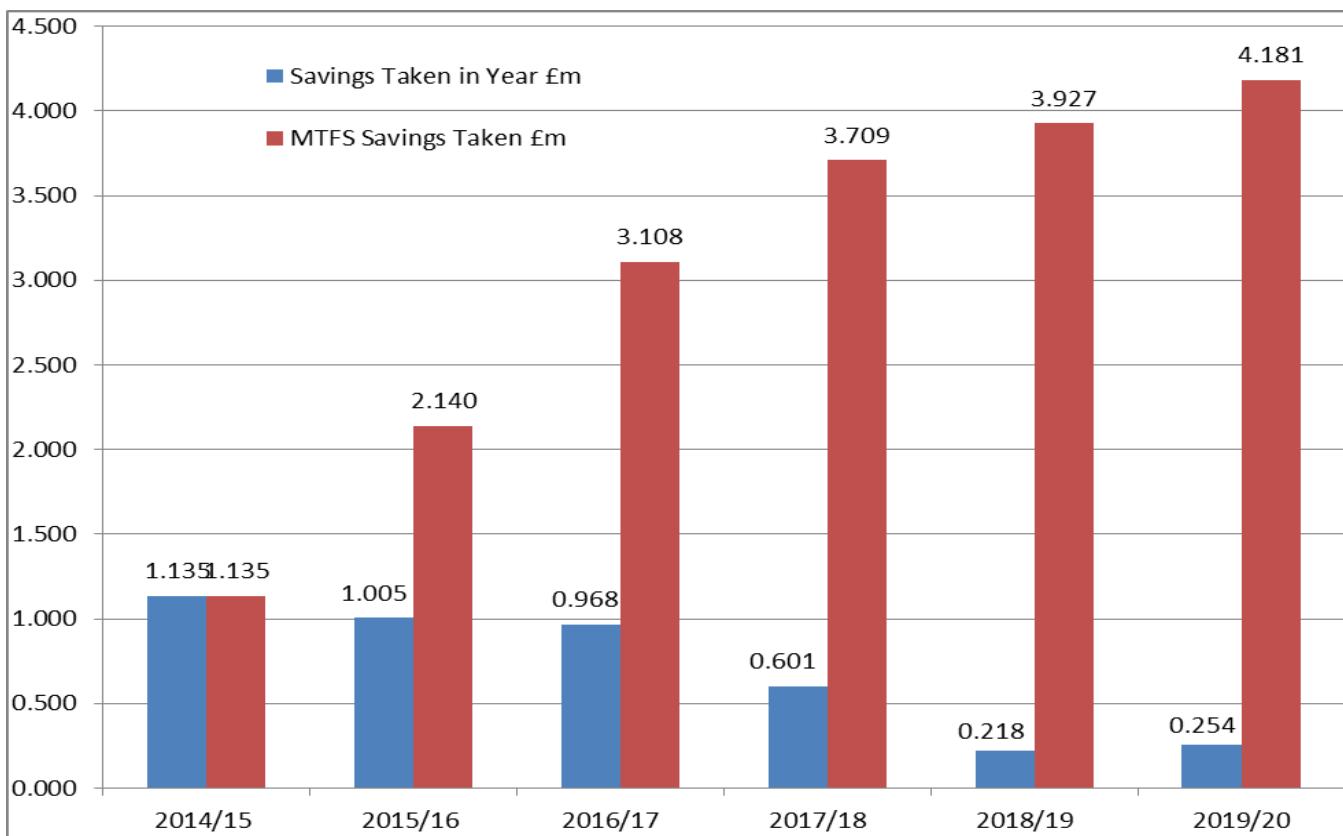


- 1.4 Since 2013/14 government support has reduced by around 55% and the Council's net budget by around 24% as illustrated in the following tables. In addition, Council Tax referendum principles have restricted increases in Council Tax.

	2013/14	2019/20	Reduction	%
Government Grant	£8,094,919	£3,642,529	£4,452,390	55.00
Net Budget	£14,604,750	£11,061,890	£3,542,860	24.26



1.5 The following graph illustrates how successful the Council has been in delivering savings over the last 6 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 2020/21 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 2019 SPENDING ROUND AND LOCAL GOVERNMENT FINANCE SETTLEMENT TECHNICAL CONSULTATION**

- 2.1 On 4 September 2019, the Government outlined its' spending plans for 2020/21 by setting budgets for each central government department. Following this, on 3 October 2019, the Government set out its proposals for the 2020/21 Local Government Finance Settlement in a technical consultation.
- 2.2 The relevant points for this Council from both of these announcements are as follows:
- Local Government's business rate baseline funding levels will increase in line with inflation (determined by the CPI rate as at September 2019, ie. 1.7%);
  - A proposed Council Tax referendum limit of 2% (together with an additional 2% increase for Adult Social Care);
  - Continuation of homelessness and rough sleeping funding at 2019/20 levels as a minimum;
  - The Fair Funding Review and introduction of 75% business rate retention will now be implemented in April 2021;
  - Continuation of the New Homes Bonus for 2020/21 with potential changes to the scheme design, legacy payments and allocations in future years.
- 2.3 Details of how this will be converted into specific funding allocations for individual local authorities will be announced as part of the provisional local government finance settlement which we are not expecting until later this month or early January 2020.
- 2.4 It is anticipated that a 3 year Spending Review will be undertaken by the government in Autumn 2020 covering the period 2021/22 – 2023/24.

## **3 LOCAL GOVERNMENT FINANCE SETTLEMENT**

- 3.1 As a result of the General Election on 12 December 2019, the Provisional Finance Settlement for 2020/21 has been delayed and is now expected to be announced later this month or more likely, early January 2020. Consequently, the figures included in this report are estimates based on the funding announcements detailed in section 2 above. It is therefore, conceivable that the figures announced in the Provisional Settlement are different from those detailed in this report. An update on any changes will be given to members at the meeting if available.
- 3.2 The Council's Settlement Funding Assessment for 2020/21 will be made up entirely of its Business Rates Baseline Funding (Revenue Support Grant was phased out in 2019/20) which as detailed above is expected to increase by 1.7%. The figure included in the draft budget is detailed below.

**Table 1 – Settlement Funding Assessment (Core Funding) – Estimate prior to provisional settlement**

	<b>Actual 2019/20 £000</b>	<b>Estimate 2020/21 £000</b>	<b>2020/21 % Increase</b>
<b>Settlement Funding Assessment (Business Rates Baseline Funding only)</b>	<b>3,643</b>	<b>3,704</b>	<b>1.7%</b>

- 3.3 The provisional settlement will only detail figures for 2020/21 with future funding announcements dependent on the outcome of the 3 year spending review to be undertaken in Autumn 2020. The Medium Term forecasts detailed in Appendix B have assumed a continuation of the current policy of increasing business rates baselines by inflation and increases of 2% per annum has been allowed for in 2021/22 onwards.

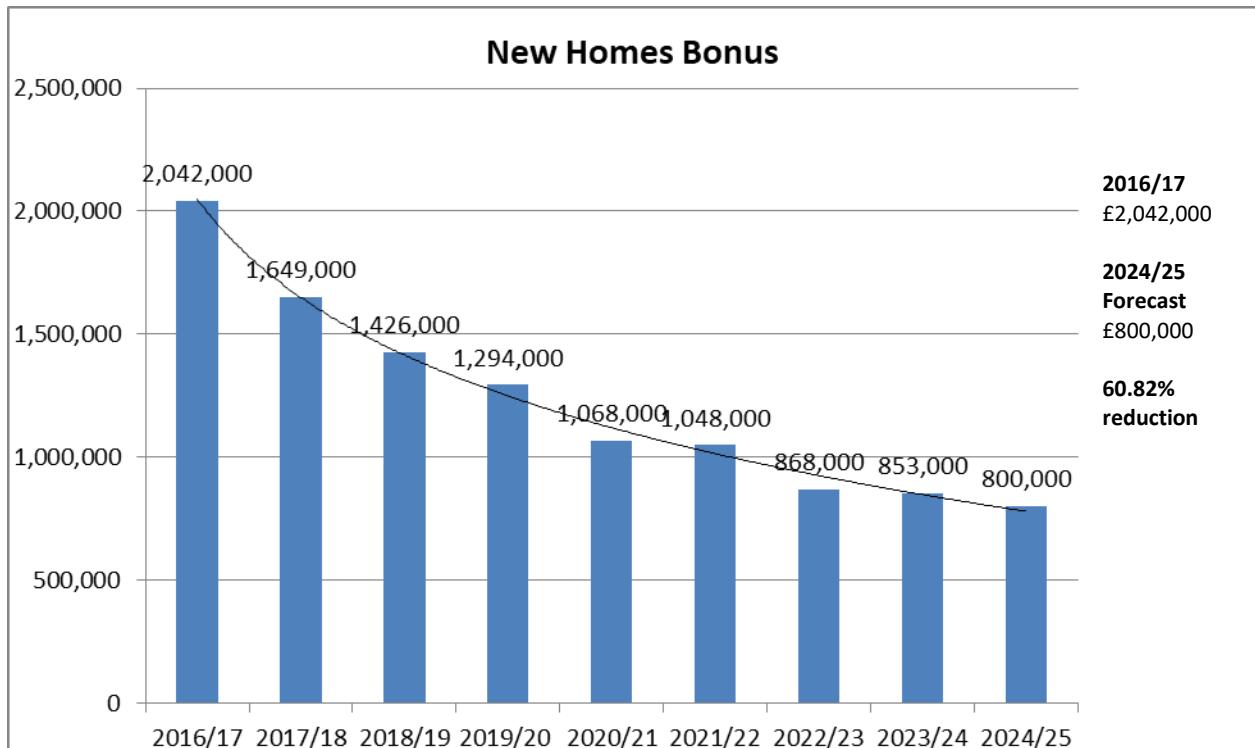
## **Fair Funding Review**

- 3.4 The Government has now confirmed that it is looking to implement the Fair Funding Review in April 2021 rather than the previously announced date of April 2020. Working groups continue to develop proposals for the Fair Funding Review and MHCLG have issued consultation papers on various aspects of the review.
- 3.5 To date, the consultations explore what factors should be taken into account in determining the needs and resources of local authorities. This is particularly important as these elements have a major impact on what the government determines individual authorities 'spending assessment' will be. This will, in turn determine how much of future business rates income this Council will retain through its' Baseline Funding Level (see Section 5 below). It is therefore, intrinsically linked to the reform of the business rates retention system.
- 3.6 One aspect of local authorities' resources specifically referenced in the consultation documents is that the government will include car park charging income to determine the national resource total. This could have consequences for the Council's 'spending assessment' calculation as the Council has determined it will not charge for car parking in the medium term. Consequently, this could lead to a lower Baseline Funding Level than currently forecast.
- 3.7 The consultation documents imply that the government in assessing relative needs, favours a simpler distribution formula with fewer indicators based largely around population projections with deprivation removed from the formula. This could have a detrimental effect on this Council's funding. However, the options around relative resources (the ability of each authority to generate council tax income) could result in a transfer of funding from high-taxbase (lower-need) authorities to low-taxbase (higher-need) authorities, which could benefit this Council. At the current time, there is no reasonable assessment that can be made of the potential impact on this Council of the Fair Funding Review.
- 3.8 The outcome of this review and the reform of the Business Rates Retention System (75% also from April 2021) 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 from 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 For 2020/21, following the technical consultation exercise earlier this year, it has been assumed that no further changes will be made to the allocation methodology in 2020/21. For the purposes of the estimates and medium term forecasts, it has been assumed that the national baseline for housing growth will increase to 0.5% as a result of the national total to be allocated for NHB remaining the same as 2019/20.
- 4.4 Actual NHB received in 2019/20 is £1.294m and based on the current system (with a 0.5% growth threshold), £1.068m has been included in the 2020/21 estimates. Based on the actual NHB from additional homes delivered during the past year (from October 2018 – October 2019) and the current allocation methodology, the forecast NHB reduces to around £800k by 2024/25. The graph below shows how the amount received from NHB has significantly changed over the past four years together with forecasts over the medium term.



- 4.5 Provisional New Homes Bonus allocations for 2020/21 will be announced as part of the forthcoming Finance Settlement. The allocations may change if any further reforms are implemented.
- 4.6 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 2020. This will also determine the national total to be allocated from 2021/22 onwards. For example, 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. Future allocations could also be linked to achievement of housing delivery compared to local plan targets. This is a significant risk to the medium term forecasts.

## 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 five 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.

### **Business Rates Pooling Arrangement – 2020/21**

- 5.3 The Council has joined with the County Council, Peterborough City Council, Fire Authority, East Cambridgeshire and South Cambridgeshire and applied to the government 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 MHCLG confirmed on 18 December 2019 that the Cambridgeshire Business Rates Pool has been approved. The designation has effect for the year beginning 1 April 2020 and every year after that, unless the Government exercises the power to revoke the pool (either by request from the pool or as a result of a change in government policy). Whether or not the pool will remain financially beneficial to its' constituent authorities following the implementation of the proposed 75% retention system from April 2021 will be reassessed by the pool partners when this information becomes available (expected around Summer/Autumn 2020). Consequently, for the purposes of the MTFS the benefits of this pooling arrangement will initially only be recognised in 2020/21.
- 5.5 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.
- 5.6 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. This Council for example could receive up to £370k additional income according to the sharing methodology agreed between the pooled authorities. **However, this figure is a best estimate based at this stage and consequently, no allowance for this has been made in the 2020/21 estimates.** As detailed above, any benefit from this pooling arrangement is initially being recognised for one year only in 2020/21.
- 5.7 As a result of the successful pooling application, updated estimates for 2020/21 will now be prepared by all pooling authorities (by way of completion of the annual statutory business rates estimates, the NNDR1 form, due to be returned to MHCLG by the end of January 2020). This Council's estimated share of any additional resources will then be calculated and included in the final budget report in February 2020.

### **75% Business Rates Retention – 2021/22 onwards**

- 5.8 It is expected that the 75% Business Rates Retention Scheme will now be implemented nationally from April 2021. Further consultations on how the new scheme will operate are expected from MHCLG shortly.
- 5.9 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 2021/22, retained business rates will increase by CPI at around 2% per annum. Nationally, the implementation of this 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.

- 5.10 Although the forecasts in the MTFS has assumed a 'neutral' funding position regarding retained business rates, the consultation papers to date identifies 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.
- 5.11 In the estimate for 2020/21 and the medium term forecasts from 2021/22, around £1m of business rates above the Council's Baseline Funding Level is being retained. From 2021/22 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.
- 5.12 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.
- 5.13 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 2021/22 to the current forecast MTFS shortfalls. A 20% loss of growth income would add a further £200k per annum to the current shortfalls.
- 5.14 At the time of writing, the Fair Funding Review, the introduction of 75% Business Rates Retention and the reforms 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 with £1.65m achieved by the end of 2019/20. During this year several proposals have been implemented together with the full-year benefit of proposals implemented in 2018/19. These include the following:
  - Relocation of March and Wisbech Shops
  - CCTV – alternative service delivery with Peterborough City Counciltogether with the full-year benefit in 2019/20 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 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 2019/20

- 7.1 As part of the budget setting process for 2019/20, approved by Council on 21 February 2019, which included a freeze to the level of Council Tax, £0.103m of savings (from CSR1 proposals not yet implemented) together with a contribution of £0.151m from the General Fund Balance were required to ensure a balanced budget.
- 7.2 It is pleasing to report that the required savings from CSR proposals have been achieved for 2019/20 and it is forecast that the budgeted contribution from the General Fund Balance will not be required.
- 7.3 Organisational efficiency changes (e.g. Corporate Management Team, Assets and Projects), the relocation of March and Wisbech shops, the implementation of a shared CCTV service delivery with Peterborough City Council together with the full-year benefit of previous projects such as the Leisure Centres management contract in December 2018, have enabled the savings target to be met for this year with significant contributions towards the savings target for 2020/21.
- 7.4 This is a considerable achievement and demonstrates the focus from Cabinet and Officers in delivering a balanced budget. The savings identified to date have not significantly affected front-line services as the Council is determined to maintain the quality of these services during these difficult and challenging times.
- 7.5 The latest revised estimates for 2019/20 are set out at Appendix A and show the likelihood of an under-spend in the region of £293k by the end of this financial year. This effectively means that there is no requirement to use the approved £151k contribution from the General Fund Balance, resulting in a projected under-spend of £142k.
- 7.6 The deletion of a Corporate Director Post and other changes in the Assets and Projects team has resulted in significant employee cost savings (-£174k). As a result of the Insurance re-tendering exercise, significant annual savings in premiums have been achieved (-£189k). In addition, savings have been made in the budgeted costs of the District elections due to the number of uncontested seats (-£48k); lower Drainage Board levies (-£16k); higher forecast income from Investments and VAT sharing arrangement (-£45k); a reduction in capital financing charges as a result of the re-profiled capital programme (-£79k) and higher income from Cemeteries (-£32k). These have been off-set by a significant increase in Repairs and Maintenance (£207k); reductions in income from Planning Fees (£57k) and Economic Estates (33k) and other service variations (-£7k).
- 7.7 In addition, following a reassessment of the appeals provision for Business Rates for 2019/20 and a reduction in income following valuation reassessments, the total retained business rates income for 2019/20 is forecast to be around £128K higher than originally estimated. However, to smooth out the timing impact of these reassessments on the Council's budget (a change in this year will impact in next year), £128k has been set-aside in reserves in 2019/20 with the same amount being utilised from reserves in 2020/21. This will mitigate the impact on the Council's bottom line over these two years.
- 7.8 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, this position is maintained at the year end.

## 8 DRAFT BUDGET ESTIMATES 2020/21 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 (2020/21) but for forecast years as well, within a reasonable level of tolerance.
- 8.2 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 2020/21 and the medium term.

**Table 2 - MTFS - 0% increase in 2020/21 onwards**

	Estimate	Forecast	Forecast	Forecast	Forecast
	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
<b>Expenditure</b>					
Net Service Expenditure	11,947	12,303	12,713	13,003	13,395
Corporate Items	796	1,289	1,516	1,564	1,639
Renewable Energy Rates Retained	-260	-311	-317	-324	-330
Retained Business Rates (Growth)	-935	-1,007	-1,030	-1,056	-1,081
Contribution from General Fund Balance	0	0	0	0	0
<b>Net Budget Requirement</b>	<b>11,548</b>	<b>12,274</b>	<b>12,882</b>	<b>13,187</b>	<b>13,623</b>
<b>Funding</b>					
Business Rates Baseline	-3,704	-3,779	-3,854	-3,931	-4,010
Business Rates Collection Fund Deficit	289	0	0	0	0
Council Tax Collection Fund Surplus	-113	-50	-50	-50	-50
Council Tax (increases of 0% in 20/21 onwards)	-7,766	-7,863	-7,961	-8,059	-8,156
<b>Total Funding</b>	<b>-11,294</b>	<b>-11,692</b>	<b>-11,865</b>	<b>-12,040</b>	<b>-12,216</b>
<b>Surplus(-)/Shortfall(+)</b>	<b>+254</b>	<b>+582</b>	<b>+1,017</b>	<b>+1,147</b>	<b>+1,407</b>

- 8.3 Government grant figures for 2020/21 will be announced as part of the provisional finance settlement. This Council will only be receiving retained business rates from the finance settlement. The projections for 2021/22 onwards are based on the best estimates and information available and are consistent with the announcements on business rates in the Spending Round 2019. However, subject to further clarity on the detailed implementation of the announcements, there remains a degree of uncertainty in these projections.
- 8.4 The net budget requirement for 2020/21 is currently estimated at **£11.548m** after all identified savings and contingencies are included. This includes the assumptions detailed at Appendix C. With the provisional funding assumptions and a 0% increase in Council Tax a shortfall of £254k is currently forecast for 2020/21. However, this shortfall does not, as yet include a number of additional resource opportunities detailed below.
- 8.5 The forecasts include all proposed savings from the FDC-CSR process over the next two years together with assumptions regarding additional receipts from Council Tax and Business Rates.
- 8.6 Taking into account the proposals in the Table 2 above, the estimated net budget requirement in 2020/21 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 £1.407m by the end of 2024/25.
- 8.7 The forecasts for the years 2021/22 – 2024/25 are provisional at this stage and should be considered with extreme caution. The Provisional Finance Settlement announcements regarding local government funding are imminent and therefore, the figures could be different to those included in the forecast. 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.

### **MTFS ‘Opportunities’**

- 8.8 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 fund the current shortfall in 2020/21 (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 – 5.7 above, there is a potential benefit of being part of a Business Rates Pooling arrangement in 2020/21 with other Cambridgeshire Districts, County Council and Peterborough City Council;
  - In April 2020, 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 up to £3.7m subject to finalising all the Horizons statutory liabilities. Further consideration and evaluation of how these funds are utilised to ensure maximum benefit to the Council over the medium term will be undertaken and proposals included in the final budget report in February 2020;
  - 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. Current projections are that around £150k of additional investment income could be generated per annum from 2020/21;
  - 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 plan which could see further savings/additional income being generated over the MTFS. At this time, it is difficult to forecast what future benefits will be generated as no firm proposals have been agreed by Council.

### **Significant Risks to MTFS**

- 8.9 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 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**

- 8.10 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.

- 8.11 For example, a £1m scheme with a 20 year life, funded by prudential borrowing, would result in around an additional £80,000 per annum in interest (3%) and repayment costs.
- 8.12 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 2021/22.

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

	Estimate	Forecast	Forecast	Forecast	Forecast
	2020/21	2021/22	2022/23	2022/23	2024/25
	£000	£000	£000	£000	£000
<b>MTFS Shortfall - Appendix B</b>	<b>254</b>	<b>582</b>	<b>1,017</b>	<b>1,147</b>	<b>1,407</b>
(0% CT increase in 2020/21 onwards)					
50% loss of NNDR growth income		500	500	500	500
Increasing NHB threshold by 0.1%		50	100	150	200
<b>Revised Shortfall</b>	<b>254</b>	<b>1,132</b>	<b>1,617</b>	<b>1,797</b>	<b>2,107</b>

- 8.13 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 FEES AND CHARGES**

- 9.1 The Overview and Scrutiny Panel will consider all fees and charges for 2020/21 at its meeting on 13 January 2020 and recommend the Schedule of Fees and Charges to Cabinet at its meeting on 16 January 2020.

## **10 COUNCIL TAX – 2020/21**

- 10.1 As part of the 2020/21 Provisional Local Government Finance Settlement announcement due shortly, the government is expected to again propose that local authorities will be required to seek the approval of their local electorate in a referendum if they set council tax increases in 2020/21 that exceed the government set limit. This limit is expected to be set at 2% or greater than £5, whichever is higher for 2020/21 for District Councils
- 10.2 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 2024/25. 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.
- 10.3 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.
- 10.4 For information, an additional 1% increase in Council Tax in 2019/20 would generate in the region of £77,000 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 8.2 above and Appendix B).
- 10.5 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 2020/21 for Fenland District Council. This is the final piece of the “jigsaw” that identifies the balance of the total resources required to fund the Council’s services.

- 10.6 In line with the motion agreed by Council on 19 July 2019, assumed Council Tax increases of 0% have been included for 2020/21 and over the period of the MTFS.
- 10.7 It is expected that this level of Council Tax together with the potential benefits from the 'opportunities' detailed at 8.8 above, would provide the resources required to fund the current level of service provision in 2020/21. However, over the period of the MTFS, the Council will need to continually consider its strategy to meet the estimated shortfalls shown at Table 2 and in Appendix B.
- 10.8 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 £77,000 revenue per annum. Table 4 shows the implications of increasing the Council Tax in 2020/21 by 1.98% per annum and thereafter compared to freezing the Council Tax in 2020/21 and throughout the MTFS period.

**Table 4: MTFS Deficits at Differing Council Tax increases in 2020/21 onwards**

Deficits based on different % increases	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Deficits at 0% increase (as shown in Table 2/Appendix B)	+254	+582	+1,017	+1,147	+1,407
Additional CT with 1.98% increase p.a. from 2020/21	-153	-314	-481	-657	-839
Deficits at 1.98% increase	+101	+268	+536	+490	+568

## **11 REVIEW OF GENERAL FUND BALANCE AND EARMARKED RESERVES**

- 11.1 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.
- 11.2 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
- 11.3 The Council's current uncommitted General Fund Balance is £2.622m. As part of the budget setting process for 2019/20, a contribution of £150,720 from the General Fund Balance was approved. As detailed in Section 7, the forecast outturn for 2019/20 is not expected to require this contribution.
- 11.4 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. A separate report proposing a number of changes impacting on reserves, including the General Fund, is included as a separate item on today's agenda.

- 11.5 To smooth out the cost of District elections over a 4 year period and avoid the full cost being budgeted and charged to the financial year of the election, it is proposed that an Elections Reserve be established with effect from 2020/21 and that an annual contribution of £30,000 is made to this reserve. This reserve will then be utilised to fund the cost of District elections every 4 years. This contribution is reflected in the budget and MTFS figures at Appendices A and B.
- 11.6 In addition, a Budget Equalisation Reserve is being proposed to provide a smoothing mechanism between financial years which could provide resources to help achieve balanced budgets in future years. The proposed initial allocation to this reserve is the £200k underspend from 2018/19 together with the current forecast £142k underspend in 2019/20. This allocation will be amended based on the actual position at the year-end.
- 11.7 Further details regarding the rationale of establishing the Elections Reserve and Budget Equalisation Reserve is contained in the Amendments to Reserves report at an earlier agenda item. The creation of these two new reserves is being recommended to Council for approval at their meeting on 9 January 2020. This will enable these reserves to be included as part of the final budget setting report and MTFS.
- 11.8 The final budget report to be considered by Cabinet and Council on 20 February 2020 will include full details of the projected General Fund and earmarked reserves position as at 31 March 2020 and 31 March 2021 taking account of the decisions made at today's meeting.

## **12 CAPITAL PROGRAMME**

- 12.1 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.
- 12.2 A fully updated Capital Programme for 2019-23 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.
- 12.3 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.
- 12.4 Good progress has been made towards delivering the capital schemes identified in the current capital programme. In particular, the improvements to the Hudson Leisure Centre incorporated into the Council's agreement with Freedom Leisure were completed ahead of schedule and orders are in place to ensure replacement gym equipment is installed at all four leisure centres. Following completion of works in City Road car park in March in the previous financial year, works at the Council car park at Church Terrace in Wisbech commenced in this financial year. These works are due to be completed in early 2020 prior to the end of this financial year.
- 12.5 The updated capital programme is set out in Appendix D to this report. The updated programme reflects the outcome of a comprehensive review of the current programme undertaken by officers. As a consequence of this review a number of schemes have been re-profiled to reflect when expenditure is expected to be incurred. In the case of a small number of schemes, this approach has resulted in schemes approved previously being removed from the updated programme. These schemes will be incorporated back into the capital programme if and when officers can finalise a viable proposal to deliver the scheme at a cost considered to be reasonable and proportionate to the benefits the

Council would secure from undertaking the proposed works. The schemes removed from the programme are detailed for information in Appendix D.

- 12.6 The new schemes included in the programme have been subject to a robust evaluation to confirm their viability within the timescale and budget allocated. At the current time work is continuing to assess the requirements for future capital resources to ensure the premises used by Council staff or let to third parties remain fit-for-purpose. An update on the outcome of this work will be provided as part of the final budget report due to be considered by Cabinet and Council in February 2020. Depending on the timing of work currently being undertaken by relevant professionals engaged by officers in the Estates Team it may be necessary to prepare further reports detailing the estimated cost of such works for members to consider and approve during the 2020-21 financial year.
- 12.7 The Council continues to work closely with the Cambridgeshire and Peterborough Combined Authority (CPCA) to identify schemes of mutual interest which the CPCA may be able to fund in full or in part.
- 12.8 Council resources allocated to take forward the capital schemes within the Wisbech High Street project reflect decisions taken by Cabinet and Council at the time of preparing this report. The cost of the schemes disclosed reflects the cost to the Council of the approved schemes. The values quoted therefore excludes grant money relating to the Wisbech High Street project
- 12.9 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.
- 12.10 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.

### **13 Risk Assessment**

- 13.1 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.

- 13.2 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.

## FENLAND DISTRICT COUNCIL

## Summary of Revenue Estimates

	Approved Estimate 2019/20 £	Revised Estimate 2019/20 £	Estimate 2020/21 £
<b>Service Summary</b>			
Growth & Infrastructure	1,144,810	1,341,980	1,099,940
Housing, Environment, Leisure & Community	5,244,410	5,140,305	4,315,431
Resources & Customer Services	6,588,439	6,437,200	6,530,801
<b>NET COST OF GENERAL FUND SERVICES</b>	<b>12,977,659</b>	<b>12,919,485</b>	<b>11,946,172</b>
<b>Corporate Items</b>			
Contributions to/ (from) Earmarked Reserves	-1,382,664	-1,349,729	-287,981
RTB/VAT Sharing Income	-40,000	-65,000	-40,000
Drainage Board Levies	1,480,080	1,464,110	1,508,030
Financing Charges - <i>Interest/Minimum Revenue Provision</i>	824,000	745,231	1,110,226
Investment Income	-180,000	-200,000	-170,000
New Homes Bonus	-1,294,000	-1,294,000	-1,068,000
Prepayment of Pension Deficit Lump Sum	-34,000	-34,000	-35,000
A14 Contribution	0	0	32,000
Vacancy Factor (2.5%)	0	0	-283,000
Contribution to Elections Reserve	0	0	30,000
Business Rates - net additional income above baseline ( <i>government grants for reimbursement of reliefs, growth less levy payment</i> )	-1,289,185	-1,416,831	-1,194,577
Corporate Adjustments	<b>-1,915,769</b>	<b>-2,150,219</b>	<b>-398,302</b>
<b>Net Expenditure before use of balances</b>	<b>11,061,890</b>	<b>10,769,266</b>	<b>11,547,870</b>
Contribution from General Fund Balance	<b>-150,720</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE after use of balances</b>	<b>10,911,170</b>	<b>10,769,266</b>	<b>11,547,870</b>
<b>Core Funding</b>			
Business Rates Baseline Funding	<b>-3,642,529</b>	<b>-3,642,529</b>	<b>-3,704,452</b>
<b>Council Tax Collection Fund Surplus(-)</b>	<b>-59,319</b>	<b>-59,319</b>	<b>-112,840</b>
<b>Business Rates Collection Fund Deficit(+)</b>	<b>442,988</b>	<b>442,988</b>	<b>288,655</b>
Council Tax	<b>-7,652,310</b>	<b>-7,652,310</b>	<b>-7,765,610</b>
<b>Surplus(-)/Shortfall(+)</b>	<b>0</b>	<b>-141,904</b>	<b>253,623</b>

**APPENDIX B**  
(% Council Tax increase)

Medium Term Financial Strategy	Projected 2019/20 £000	Estimate 2020/21 £000	Forecast 2021/22 £000	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000
<b>Expenditure</b>						
<b>Service Expenditure</b>						
Gross Service Expenditure	22,876	20,332	20,559	21,035	21,415	21,903
Fees and Charges	-5,959	-6,159	-6,264	-6,340	-6,417	-6,497
Grants and Contributions	-3,059	-1,266	-1,017	-987	-980	-976
Recycling Credits	-938	-960	-975	-995	-1,015	-1,035
<b>Total Net Service Expenditure</b>	<b>12,920</b>	<b>11,947</b>	<b>12,303</b>	<b>12,713</b>	<b>13,003</b>	<b>13,395</b>
<b>Corporate Items</b>						
<b>Corporate Expenditure/Savings</b>						
Drainage Board Levies	1,464	1,508	1,538	1,569	1,600	1,632
Financing Charges - Interest on External Borrowing	502	568	631	631	631	631
Financing Charges - Current Capital Programme - MRP	243	542	600	600	600	600
Savings from Prepayment of Pension Lump Sum	-34	-35	-35	-35	-35	-35
Vacancy Factor (2.5%)	0	-283	-294	-303	-311	-321
A14 Upgrade - contribution	0	32	32	32	32	32
Contribution to Elections Reserve	0	30	30	30	30	30
	2,175	2,362	2,502	2,524	2,547	2,569
<b>Corporate Income Items</b>						
RTB/VAT Sharing Income	-65	-40	-40	-10	-10	-10
Investment Income	-200	-170	-175	-180	-170	-170
New Homes Bonus	-1,294	-1,068	-1,048	-868	-853	-800
Contribution to(+)from(-) Earmarked Reserves	-1,350	-288	50	50	50	50
Business Rates - net additional income above baseline	-1,417	-1,195	-1,318	-1,347	-1,380	-1,411
Contribution from General Fund Balance	0	0	0	0	0	0
	-4,326	-2,761	-2,531	-2,355	-2,363	-2,341
<b>Total Corporate Items</b>	<b>-2,151</b>	<b>-399</b>	<b>-29</b>	<b>169</b>	<b>184</b>	<b>228</b>
<b>Gross Service/Corporate Expenditure</b>	<b>25,051</b>	<b>22,694</b>	<b>23,061</b>	<b>23,559</b>	<b>23,962</b>	<b>24,472</b>
<b>Gross Service/Corporate Income</b>	<b>-14,282</b>	<b>-11,146</b>	<b>-10,787</b>	<b>-10,677</b>	<b>-10,775</b>	<b>-10,849</b>
<b>Net Budget Requirement</b>	<b>10,769</b>	<b>11,548</b>	<b>12,274</b>	<b>12,882</b>	<b>13,187</b>	<b>13,623</b>
<b>Funding - RSG/NNDR/CT</b>						
Business Rates Baseline Funding	-3,643	-3,704	-3,779	-3,854	-3,931	-4,010
Business Rates Collection Fund Deficit	443	289	0	0	0	0
Council Tax Collection Fund Surplus	-59	-113	-50	-50	-50	-50
Council Tax (increases of 0% in 19/20 onwards)	-7,652	-7,766	-7,863	-7,961	-8,059	-8,156
<b>Total Funding - RSG/NNDR/CT</b>	<b>-10,911</b>	<b>-11,294</b>	<b>-11,692</b>	<b>-11,865</b>	<b>-12,040</b>	<b>-12,216</b>
<b>Surplus(-)/Shortfall(+)</b>	<b>-142</b>	<b>+254</b>	<b>+582</b>	<b>+1,017</b>	<b>+1,147</b>	<b>+1,407</b>

Summary						
<b>Total Gross Expenditure</b>	<b>25,051</b>	<b>22,694</b>	<b>23,061</b>	<b>23,559</b>	<b>23,962</b>	<b>24,472</b>
Funded by:						
Fees and Charges	-5,959	-6,159	-6,264	-6,340	-6,417	-6,497
Grants and Contributions	-3,059	-1,266	-1,017	-987	-980	-976
Recycling Credits	-938	-960	-975	-995	-1,015	-1,035
New Homes Bonus	-1,294	-1,068	-1,048	-868	-853	-800
Other - Investment Income, VAT/RTB, Reserves	-1,615	-498	-165	-140	-130	-130
Contribution from General Fund Balance	0	0	0	0	0	0
Retained Business Rates	-4,617	-4,610	-5,097	-5,201	-5,311	-5,421
Council Tax	-7,711	-7,879	-7,913	-8,011	-8,109	-8,206
<b>Total Funding</b>	<b>-25,193</b>	<b>-22,440</b>	<b>-22,479</b>	<b>-22,542</b>	<b>-22,815</b>	<b>-23,065</b>
<b>Surplus(-)/Shortfall(+)</b>	<b>-142</b>	<b>+254</b>	<b>+582</b>	<b>+1,017</b>	<b>+1,147</b>	<b>+1,407</b>

## **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 13 of the main report.

The main assumptions are as follows:

- 0% Council Tax increase for 2020/21 and thereafter (1% increase generates around £77k of resources and 1.98% around £153k of resources);
- 1.48% increase in Council Tax base in 2020/2021(Tax-base 29,815) and 1.20% thereafter (increase of 375 Band D equivalent properties per annum);
- Inflation (CPI) increases in Retained Business Rates income (1.7% for 2020/21 and assumed 2% for 2021/22 onwards)
- 2% pay award (£240k cost) for 2020/21 and thereafter together with an allowance for pay increments of around 1% p.a. (£120k 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 current forecast is for the rate for 2020/21 to remain the same as 2019/20 (17.4% of salary with additional past deficit lump sum payment of £865k). For 2021/22 and 2022/23 an increase of 1% p.a. in total contributions is expected. 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 in 2020/21, equivalent to a reduction in staff costs of 2.5% (£283,000 in 2020/21);
- 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 second quarter of 2020 when market rates are forecast to begin rising slowly;
- Continuing impact of 2019/20 in year income pressures;
- Assumptions regarding forecast income levels from fees and charges have been included. These are a combination of fee increases (where applicable) and review of activity levels;
- The New Homes Bonus for 2020/21 onwards has been included as detailed in paragraph 4.4 of the report;

**APPENDIX D**

**CAPITAL PROGRAMME AND FUNDING 2019 - 2023**

	<b>2019/20</b> <b>£000</b>	<b>2020/21</b> <b>£000</b>	<b>2021/22</b> <b>£000</b>	<b>2022/23</b> <b>£000</b>
<b>CURRENT FORECAST EXPENDITURE</b>	<b>6,171</b>	<b>2,836</b>	<b>1,769</b>	<b>1,557</b>
<b>FORECAST RESOURCES AVAILABLE</b>				
Capital Grants	1,564	950	950	950
Usable Capital Receipts - In Year	467	225	0	0
Usable Capital Receipts - B/fwd	0	0	0	0
Reserves used in year to fund Capital	654	101	0	0
Section 106s and Other Contributions	128	181	0	12
Borrowing (Internal and Prudential)	3,358	1,379	819	595
<b>Total Forecast Resources</b>	<b>6,171</b>	<b>2,836</b>	<b>1,769</b>	<b>1,557</b>

**CAPITAL PROGRAMME SUMMARY 2019/20 - 2022/23**

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
<b>Leisure Centres</b>								
1 Hudson Leisure Centre Improvements	864				864	864		
2 Leisure Equipment	644				644	644		
3 Condition Survey Improvements	150	237	212	75	674	674		£251K R&M Reserve
<b>Regeneration Programmes</b>								
4 Fenland Renaissance and Place Shaping	16				16	16		
5 Heritage Lottery Fund - Match Funding bid	150				150	150		
6 Heritage Lottery Fund - 24 High Street, Wisbech	87				87	87		
7 Railway Station Improvements	178				178	62	116	£63K S106 money. £116K CPC funding
<b>Cemeteries</b>								
8 Rebuild Front Wall - St Mary's Churchyard, Whittlesey	34				34	34		
9 Manea Chuchyard		15			15	15		
10 Remedial Works in Closed Cemeteries	3	25	25	25	78	79		
11 Mt Pleasant Cemetery, Wisbech		60			60	60		
12 Walsoken Cemetery		20			20	20		
<b>Car Parks</b>								
13 Church Terrace, Wisbech	220				220	220		
<b>Highways</b>								
14 Catgeory 1 Street Lights - Parishes	12				12	12		
15 Catgeory 2 Street Lights - FDC Lights	214	142			356	356		£47K Invest to Save Reserve
16 Street Name Plates/District Facilities Signage	4	40			44	44		
Street Light Improvements - Parishes (Contribution to Cat								
17 2 Replacements)	98				98	98		£98K Capital Contribution Reserve
<b>Office Accommodation</b>								
18 AV Equipment in Council Chamber	40				40	40		
19 Reversion Works at March and Wisbech One Stop Shops	222				222	222		£222K Management of Change Reserve
20 Fenland Hall - Repairs and Renewals	165				165	165		
<b>Environment</b>								
21 Replacement Littter Bins		88	83		171	171		
<b>Port</b>								
22 Boat/Vessels - Replacement Deck, Hull and Engines	30	30	30		90	90		
23 Yacht Harbour Improvements		15			15	15		
24 Wisbech Port Structural Works	212	190			402	402		
25 Wisbech Port Fender Piles	45	45			90	90		
<b>Sub Total</b>	<b>3,388</b>	<b>907</b>	<b>350</b>	<b>100</b>	<b>4,745</b>	<b>4,630</b>		

<b>Brought Forward</b>	<b>3,388</b>	<b>907</b>	<b>350</b>	<b>100</b>	<b>4,745</b>	<b>4,630</b>	
<b>Parks and Open Spaces</b>							
26 West End Park, March - Replace Skate Ramps	138				138	108	30 £30K Grant Money. £15K S106 money
27 Water Tower Park, Whittlesey	57				57	5	52 £47K Grant Funding, £5K Town Council Contribution
28 Manea Skate Park		64			64	64	£64K S106 money
29 Parks, Play Areas and Open Space - Chatteris	45	30	30	40	145	145	£51K S106 money
30 Parks, Play Areas and Open Space - Doddington		45			45	45	£21K S106 money
31 Parks, Play Areas and Open Space - Parson Drove		30			30	30	£30K S106 money
32 Parks, Play Areas and Open Space - Whittlesey		40	45		85	85	£85K S106 money
33 Parks, Play Areas and Open Space - Wisbech	13	20		20	53	40	13 £32K S106 money, £13K External Grant
<b>Vehicles and Plant</b>							
34 Vehicles	476	330	104	210	1,120	1,120	
<b>ICT System Replacement Programme &amp; Upgrades</b>							
35 Replacement & Upgrade Programme	109	220	115	75	519	519	
36 Replacement of Cash Machines in One Stop Shops	42				42	42	
<b>Improvement of Assets</b>							
37 Sewage Treatment Works Refurbishment	200	160	150	150	660	660	
38 Birch Fen Silt Removal and Outfall Maintenance			25		25	25	
39 March Moorings Renewals		12			24	24	
40 Hostel Roof Renewal		28			28	28	
41 Lattersley Nature Reserve - Capping Layer	40				40	40	
42 Sandbank Travellers Site Pumping Station	25				25	25	£25K Travellers Reserve
43 Nene Parade Surface Water Pumping Station	50						
<b>Economic Estates</b>							
44 Replacement of AV Equipment at Business Centres	50				50	50	
45 Station Road, Whittlesey - Carriageway Resurfacing	40				40	40	£12K Station Road Reserve
<b>Community Safety</b>							
46 CCTV Control Room Upgrade	40				40	40	
47 Camera Replacements	100				100	100	£100K CCTV Reserve
<b>Private Sector Housing Support</b>							
48 Private Sector Renewal Grants	40	40	40	40	160	160	£16K Govt Grant
49 Disabled Facilities Grants	1,318	910	910	910	4,048	4,048	£4.048M Govt Grant
<b>Total - Approved Programme</b>	<b>6,171</b>	<b>2,836</b>	<b>1,769</b>	<b>1,557</b>	<b>12,283</b>	<b>7,865</b>	<b>4,303</b>

#### Schemes removed from earlier approved versions of capital programme

	2019/20	2020/21	Reason for Removal
Longhill, March - Drainage Works	40		No viable scheme design developed which could deliver improvements at an acceptable level of cost
March SWMP - Eastwood Cemetery Flood Prevention	80		Discussions ongoing with stakeholders impeding progress on the scheme
Eastwood Chatteris Car Park Improvements	75		Further discussion and investigation required due to works to school located on site
Refurbishment of wall at The Pound, Whittlesey	20		Council reviewing the extent of its responsibilities and nature of works required
Chuch Lane, Chatteris		33	Required works can be funded from revenue; less extensive than originally envisaged
<b>TOTAL</b>	<b>215</b>	<b>33</b>	