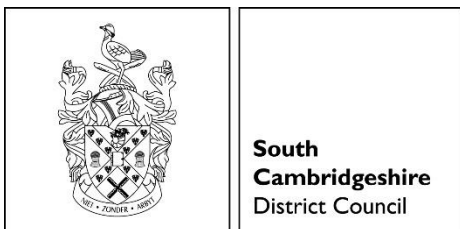


# Budget-Setting Report 2018-19



**February  
2018**

2018-19

South Cambridgeshire  
District Council

# Version Control

	Version No.	Revised version / updates for:	Content / Items for Consideration
Current	1	Executive Management Team (EMT) (17 January 2017)	Initial budget overview and budget proposals
	2	Scrutiny & Overview Committee (6 February 2018)	Proposals of the Executive
	3	Cabinet (7 February 2018)	Proposals to Council Incorporating updates relating to; - Final Local Government Finance Settlement 2018/19 and grant determinations
	4	Council (22 February 2018)	Approved Budget-Setting Report incorporating - Decisions of Council - Appendix B(b) Council Tax Setting following receipt of County Council, Police and Fire Authority precepts

## Anticipated Precept Setting Dates

Cambridgeshire Police and Crime Commissioner	Cambridgeshire & Peterborough Fire Authority	Cambridgeshire County Council
31 January 2018	8 February 2018	9 February 2018

# Contents

Section No.	Topic	Page No.
1	Introduction	GF 1
2	Local and national policy context	GF 3
3	General Fund resources	GF 12
4	General Fund revenue budgets	GF 28
5	General Fund: Expenditure and funding 2018-19	GF 31
6	Five year General Fund revenue forecast 2018-19 to 2022-23	GF 32
7	Capital	GF 34
8	Risks and reserves	GF 38

# Appendices

Reference	Topic	Page No.
A	Fees and charges	GF 41
B	Precautionary items	GF 42
C(a)	Five year General Fund revenue forecast 2018-19 to 2022-23 – Alternative option A	GF 43
C(b)	Five year General Fund revenue forecast 2018-19 to 2022-23 – Alternative option B	GF 46
D	Earmarked and specific funds	GF 47

# Section 1

## Introduction

### Purpose

The Budget-Setting Report (BSR) is designed to provide an integrated view of the council's finances and outlook. It covers General Fund (GF) revenue and capital spending, highlighting the inter-relationships between the two and the resultant implications. Detailed budget proposals for the Housing Revenue Account (HRA) are presented and considered separately from this report.

On 16 November 2017, the Cabinet approved the Medium Term Financial Strategy (MTFS). The MTFS set out the financial strategy for the council in light of local and national policy priorities, external economic factors and the outlook for public sector funding. The MTFS also reviewed key assumptions and risks, thereby confirming the framework for detailed budget work for 2018/19 and beyond.

The BSR reviews the impacts of developments since the MTFS and sets the financial context for the consideration of detailed recommendations to be made at council on 22 February 2018. The document proposes a detailed budget for the next financial year, and indicative budget projections for the following four years.

### Background

The financial planning context for the BSR is set by the MTFS. This identified a total net savings requirement of £4.4m over the next 5 years after taking into account changes to base assumptions and pressures and savings identified at that time.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Net savings requirement	0.449	0.562	0.936	1.177	1.280

\*this is after the annual vacancy saving of £0.5m allocated across the council

These savings requirements stem from significant reductions in government funding, unavoidable cost increases and pressures. Considerable levels of risk and uncertainty

remain, including the possible impacts of the review of business rates retention and associated additional responsibilities, appeals resulting from business rates revaluation as at April 2017 and the future of New Homes Bonus. Whilst the council has a record of identifying and delivering savings through service reviews and value for money improvements, many such savings have already been delivered and it is becoming more difficult to identify and deliver further savings and efficiencies.

The council continues to deliver a programme of on-going transformation targeted at the way it delivers services and interacts with residents, tenants and other parties. There is an increasing emphasis on identifying and implementing proposals for income generation to make the council more financially sustainable. This BSR builds on what has been achieved with particular emphasis on the continuing delivery of transformation projects.

## Key dates

The key member decision-making dates are as follows:

Date	Task
<b>2018</b>	
6 February	Scrutiny and Overview Committee
7 February	Cabinet recommends the budget to Council
22 February	Council approves the budget and sets the council tax for 2018/19

# Section 2

## Local and national policy context

### Local policy context

#### **Corporate Plan**

The Corporate Plan sets out the strategic objectives for the council for the years 2017-22. It sets out key activities the council will undertake in order to achieve its strategic objectives and deliver its vision. Success measures and key performance indicators (KPIs) are shown, as are lead portfolio holders and officers. The Corporate Plan provides a key component of the local policy context looking forward over the five year period it covers. It has been updated to reflect structures and responsibility changes.

#### **Review of demographic factors**

Demographic factors affect the council's financial strategies in terms of their effect on the level of demand for services, the specific types and nature of services and the income available to the council through council tax.

Projected increases in the number of dwellings within the Greater Cambridge area could amount to 9% over the next five years. Services consider and scenario-plan for the impacts of this growth. The direct budgetary impact of increased population could be a simple proportional uplift of service costs. However in other cases, a review of the current model of service delivery may be required, factoring in not only growth in population and dwellings, but also changes in demand, changes in the nature of that demand and the available funding envelope.

#### **The Greater Cambridge Partnership**

The Council is working with Cambridgeshire County Council, Cambridge City Council, the University of Cambridge and the Greater Cambridge Greater Peterborough Local Enterprise Partnership to deliver infrastructure, housing and skills targets as agreed with government in the City Deal (now the Greater Cambridge Partnership). The agreement consists of a grant of up to £500m, to be released over a 15 to 20 year period, expected to

be matched by up to another £500m from local sources, including through the proceeds of growth.

The funding will enhance the status of Greater Cambridge as a prosperous economic area. The Partnership is working to:

- Accelerate the delivery of 33,500 planned homes
- Enable delivery of 1,000 extra affordable new homes on rural exception sites
- Deliver over 420 new apprenticeships for young people
- Provide £1bn of local and national public sector investment, enabling an estimated
- £4bn of private sector investment in the Greater Cambridge area
- Create 44,000 new jobs
- Provide a governance arrangement for joint decision making between local councils

The Partnership is currently developing proposals for transport improvements to enable people, goods and ideas to move more quickly, reliably and sustainably between centres of research, innovation and enterprise, and between places of residence, work and study.

The Partnership is supporting delivery of affordable housing and a skills system that equips more young, local people with the skills they need to engage in the knowledge-based industries that comprise the Cambridge Cluster.

The Partnership is also bringing together public, private and academic experts to develop and exploit “smart city” technologies to help identify and address the challenges that Greater Cambridge faces.

The council, with the other local authority partners, have agreed to create an investment and delivery fund from a proportion of New Homes Bonus (NHB). As a result of this, the BSR considers the application of funds from NHB, earmarking part of future uncommitted funding in line with the expected levels of contribution to the fund.

# Cambridgeshire and Peterborough Combined Authority

In November 2016, eight organisations<sup>1</sup> in Cambridgeshire, including South Cambridgeshire District Council, agreed a devolution deal with the government to form the Cambridgeshire and Peterborough Combined Authority (CPCA). The deal gives delegated powers to the CPCA and a new elected Mayor and brings funding to the region. Following elections on 5 May 2017, James Palmer was elected as Mayor for the Combined Authority. Councillor Peter Topping represents the council on the CPCA.

The CPCA will receive funding and powers from central government in a number of areas including:

- £100 million to deliver new homes over a five-year period in Peterborough and Cambridgeshire which includes affordable, rented and shared ownership housing, plus £70m for Cambridge City Council to deliver at least 500 new council homes.
- £20 million a year funding over 30 years to support infrastructure and boost economic growth in the region

The key ambitions for the CA include:

- doubling the size of the local economy
- accelerating house building rates
- improving transport and digital infrastructure.

It has been agreed that CPCA costs will be funded from the gain share grant and therefore there will be no charge to the Council for this. The Mayor has the power to raise a precept (i.e. a separate additional element of council tax to fund the running costs of the Mayoral office). The earliest this could take effect is from 2018/19.

The CPCA (but not the Mayor) can levy constituent councils to make a contribution towards its functions but this would need to be unanimously agreed by those authorities through the budget making process for the CPCA. Each Council could also decide voluntarily to make a financial contribution to the CPCA.

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<sup>1</sup> Cambridge City Council; Cambridgeshire County Council; East Cambridgeshire District Council; Fenland District Council; Huntingdonshire District Council; Peterborough City Council; South Cambridgeshire District Council; Greater Cambridge Greater Peterborough Local Enterprise Partnership



South Cambridgeshire District Council will be acting as the lead partner for the delivery of the £100m affordable housing programme on behalf of the Cambridgeshire and Peterborough Combined Authority (CPCA). South Cambridgeshire have led on the housing stream to date, working to secure the £170m and the delivery of the Mayors 100-day targets for housing. This has helped raise the profile of the Council, which has earned a national reputation as a forward thinking and outward looking council and one that is serious about delivering on housing. To take on the delivery role for the £100m affordable housing programme would further cement this reputation. The CPCA will still hold the £100m and make all of the payments; the Council's role will be to host the team that will determine subject to approval, which schemes for affordable housing can be funded so the Council can lead on this project without having to get involved in the detailed accounting aspects of the work. Budget estimates include staffing and other costs to be borne by the Council, these are then offset by the same amount being recharged to CPCA, therefore making no impact on the net portfolio expenditure.

The district's economy should benefit from the additional investment and improved infrastructure in the local area that the CPCA brings.

## Shared services

The council shares some services with neighbouring councils and is working to develop other shared services. Benefits include improvements in service delivery, efficiencies and greater resilience. The following services are delivered in two or three way partnerships:

Building Control (3 partners)	Legal (3)	ICT (3)
Housing Development Agency (2)	Home Improvement Agency (2)	
Internal Audit (2)	Waste & Recycling (2)	Payroll (2)

Staff consultation is underway for The Greater Cambridge Planning Service together with the drafting of a Memorandum of Understanding. The business transfer is due on 1 April 2018 with full systems integration by December 2018.

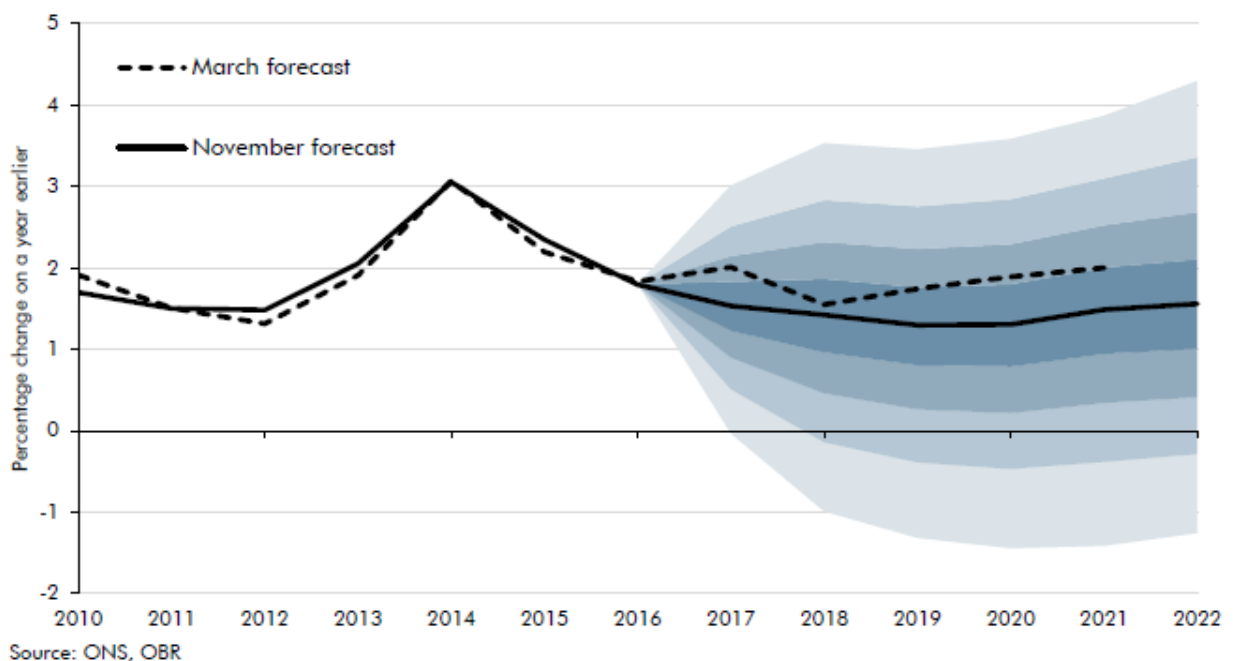
# National policy context

## Economic factors

2017 has seen a number of developments in the UK, EU, US and beyond that have a major impact on economic forecasts. These include Brexit and the results of the US Presidential election, UK General Election and the risk of a change of government. These have caused volatility in currency, bond and stock markets around the world and make forecasting fraught with difficulty. In particular, the decline in the £ sterling against the US Dollar has contributed to a higher rate of inflation. Economic forecasters are considering various factors which, whilst not directly impacting on the delivery of public services in general and those of second tier authorities in particular, will give rise to uncertainty in their minds and thus in their published prognoses. Areas causing concern include:

- The pace of Brexit negotiations
- The eventual timing of the UK leaving the EU
- The pace of GDP growth
- Recovery of sterling against major currencies
- Changes to net migration figures and their impact on the economy
- Overall unemployment

The Office of Budget Responsibility (OBR) forecasts a reduction in Gross Domestic Product (GDP) growth but continuing low unemployment until the National Living Wage prices some workers out of employment. The key contributor in the downward GDP forecast is the reduction in productivity which depresses growth in GDP and in the major tax bases. The real (GDP) fan chart below illustrates the level of future uncertainty.



Forecasts confirm that the government is unlikely to achieve a balanced budget in the current parliament. Originally a budget surplus was projected for 2020/21 but the Office for Budget Responsibility (OBR) now consider that a surplus may not be achieved until 2025/26 – which is outside their normal forecasting range.

Public sector net borrowing has fallen more quickly than anticipated:

*"... the public finances have performed better than expected. The Office for National Statistics has revised borrowing in 2016-17 sharply lower, relative to its initial estimate and our March forecast."* <sup>2</sup>

Faced with a weaker outlook for the economy and the public finances, and growing pressures on public services following years of cuts, the government has chosen to deliver a significant near-term fiscal giveaway. Consistent with the pattern of many past fiscal events, the policy easing is then scaled back in future years, with a small fiscal tightening ultimately pencilled in for 2022-23 in the form of further cuts in public services spending as a share of GDP.

Bank of England forecasts from the November 2017 inflation report are as follows:

Forecast % at December	2017	2018	2019	2020
Gross Domestic Product (GDP)	1.4	1.7	1.7	1.7
Consumer Index (CPI)	3.0	2.4	2.2	2.1
Unemployment rate	4.2	4.2	4.2	4.3
Bank base rate	0.4	0.7	0.9	1.0

These inflation forecasts show an over-provision of inflation in the MTFS of approximately 0.2% in 2018/19 (~£40k) increasing marginally over time. No adjustment to budgets is proposed, as these amounts are minor in relation to overall expenditure.

## Interest rates

Interest rates are set by the Bank's Monetary Policy Committee, which increased the bank base rate to 0.25% on 1 November 2017 and reported:

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<sup>2</sup> OBR "Economic and fiscal outlook – November 2017"

“Inflation is above our 2% target, because of the sharp fall in the pound triggered by the EU referendum. We have to balance how quickly we take inflation back to the target with the support we give to jobs and activity. With more people in work and growth in the economy steady, there are limits to the extent to which we can accept above-target inflation. People need to be able to rely on low and stable inflation. To make sure of that, we need to keep economic growth around its new, lower, speed limit.

To ensure a sustainable return of inflation to the target we have raised interest rates from 0.25% to 0.5%. That means taking our foot a little off the accelerator, reducing slightly the amount of support we are providing to the economy. We expect any further rises to happen at a gradual pace and to a limited extent. Interest rates are likely to remain substantially lower than a decade ago.”

Latest projections for interest rates at November 2017, set out below, show a rise from the current 0.5% to 1.25% by September 2020.

	NOW	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021
Bank Rate	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
3 month LIBID	0.40	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.70	0.90	0.90	1.00	1.20	1.20	1.20
6 month LIBID	0.45	0.50	0.50	0.50	0.60	0.80	0.80	0.80	0.90	1.00	1.00	1.10	1.30	1.30	1.40
12 month LIBID	0.65	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.10	1.30	1.30	1.40	1.50	1.50	1.60
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	2.30
10 yr PWLB	2.10	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70	2.80	2.90	2.90	3.00
25 yr PWLB	2.70	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40	3.40

*Interest rates projection at November 2017(Link Asset Services)*

## 2017 Budget Statement

The government published the Budget on 22 November 2017.

In light of the deteriorating economic context, the government has chosen to borrow to invest in infrastructure and innovation targeted at improving productivity. Government departments will continue to deliver spending plans set at Spending Review 2015. The efficiency review announced at Budget 2016, designed to deliver £3.5bn of savings, was reaffirmed. As a result, government department spending control totals are unchanged and are expected to grow with inflation in 2021/22 and 2022/23.

The statement contained some items of relevance to the council, with little or no impact on the council's GF budget in the short-term, but with prospects for a longer term effect:

- 3% rise in business rates with the inflator moving from RPI to the lower CPI. The frequency of business revaluations will increase from quinquennial to triennial.
- The national Living Wage will be increased by 4.4% to £7.83/hour from April 2018 as recommended by the Low Pay Commission. The £9/hour target by 2020 is unlikely to be met
- Reforms to off payroll working rules introduced last year in the public sector will move to the private sector by 2019. Experience has shown that this merely increases staff costs because, in a scarce employment market, the contractor can demand and secure the same effective net income.
- A reduction in liability to Stamp Duty Land Tax (SDLT) for first time house buyers up to £300,000 subject to a maximum property value of £500,000.
- The Chancellor confirmed that he would move away from the 1% public sector pay cap
- The government has agreed a pilot of 100% business rates retention in London in 2018-19.
- Universal credit wait reduced from 5 to 4 weeks; implementation in Cambridge deferred from June to October 2018
- £1.7 billion for a Transforming Cities Fund to improve local transport connections

#### **Cambridge – Milton Keynes – Oxford corridor**

- The Budget sets out an integrated programme of infrastructure, housing, business investment and development for the corridor between Oxford and Cambridge.
- The government aims to build 1 million new homes along the corridor by 2050 to maximise its economic potential, starting with a housing deal with Oxfordshire for 100,000 homes by 2030 and working with Central and Eastern sections on commitments in 2018.
- By 2024 the western section of East West Rail will be complete, allowing services between Oxford and Bedford, and Aylesbury and Milton Keynes. A new East West Rail Company is being established to accelerate delivery of the central section between Bedford and Cambridge, aiming for completion by the mid-2020s.
- Working in partnership with local stakeholders, the government is committing £5 million to develop proposals for Cambridge South station, and is starting a study on

the enhancements needed to accommodate future rail growth across Cambridgeshire.

- Construction will begin on key elements of the Expressway between Cambridge and Oxford in the second Roads Investment Strategy. The government will accelerate work on the 'missing link' elements of the Expressway so that it is ready to open by 2030.

## **Planning**

In an effort to re-energise the housing market, the Chancellor made several announcements:

- Consultation to ensure that allocated land should be taken out of a plan if there is no prospect of a planning application being made
- Intervention where there is a failure to progress Local Plans
- First-time buyer led developments will be granted permission on land outside their plan where a high proportion are offered for discounted sale for first-time buyers, or for affordable rent
- Increasing housing density in urban areas, including conversion of retail and employment land to housing
- Expecting local authorities to bring forward 20% of their housing supply as small sites
- A consultation into the setting and indexation of Community Infrastructure Levy (CIL)

This was the government's first Autumn Budget, the next statement being an early 2018 forecast from the OBR followed by a Spring Statement.

# Section 3

## General Fund resources

### Local government finance settlement 2018/19

In December 2015, as part of the provisional local government settlement, a four year funding guarantee was offered to councils that submit an efficiency plan. The council's plan has been accepted by government, confirming revenue support grant (RSG) and baseline levels of business rates for 2016-17 to 2019-20.

The provisional finance settlement was published on 19 December 2017 with the final settlement expected in January or February 2018. The provisional settlement provides funding figures for 2018/19 and indicative figures for the following year. However, certain elements are subject to the funding guarantee described above.

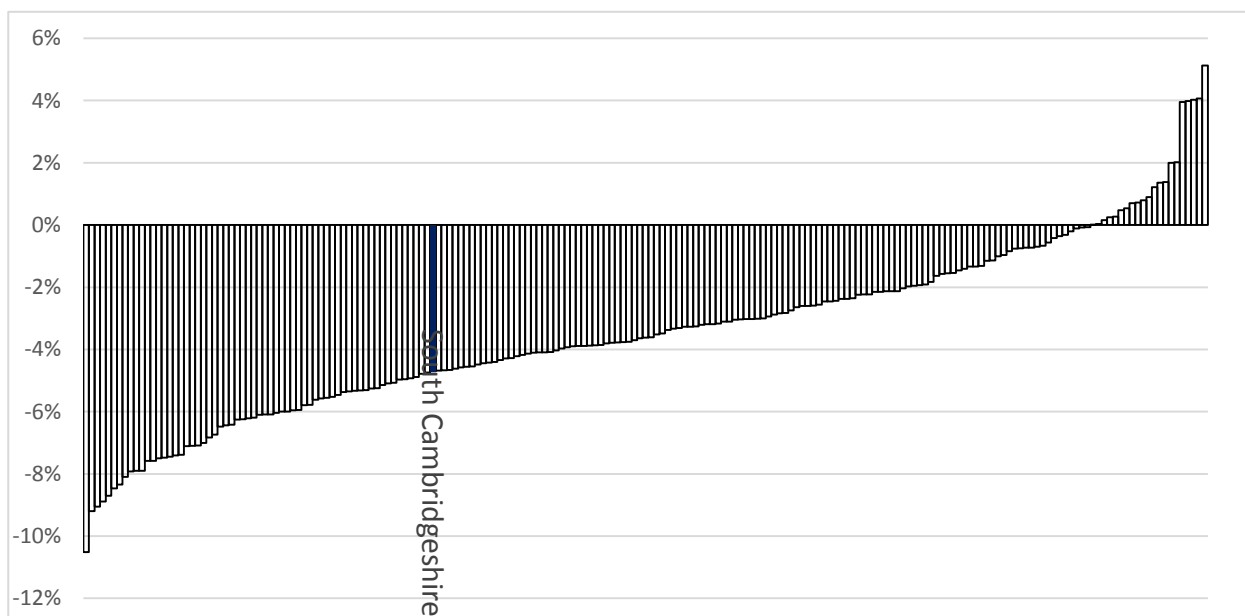
Uncertainty remains for 2020/21 and beyond as government continues to develop the 100% business rates retention scheme, although there are now indications that retention may not progress beyond 75%. This work includes identifying further responsibilities to devolve to councils to match higher levels of business rates retention and a review of needs and distribution, now known as the Fair Funding Review. The government has confirmed expectations that the Fair Funding Review will be finished in time for implementation in April 2020.

## Core spending power

Element of core spending power (£000)	2017-18	2018-19 Provisional	Change	2019-20
Settlement Funding Assessment (SFA):				
- Business rates baseline	2,470	2,546	3%	2,603
- Revenue Support Grant (RSG)	230	-		-
- Business rate tariff adjustment		(191)	(183%)	(661)
<b>Total SFA - per 2017/18 finance settlement</b>	<b>2,700</b>	<b>2,355</b>	<b>(13%)</b>	<b>1,942</b>
- Rural Services Grant	105	105	0%	105
- Transition Grant	76	-	(100%)	-
New Homes Bonus (NHB) grant <sup>1</sup>	3,926	3,010	(23%)	2,581
Council tax income <sup>1</sup>	8,234	8,658	5%	9,093
<b>Core spending power</b>	<b>15,041</b>	<b>14,128</b>	<b>(6%)</b>	<b>13,720</b>

<sup>1</sup> – Figures based on government projections

### Lower Tier Authorities: Change in core spending power 2018/19



The core spending power measure, based on illustrative amounts for NHB, shows a decline of 13.5% over the four years of the spending review period.

There are no material changes in the SFA from that included in MTFS 2017, as this funding was guaranteed following the government's acceptance of the council's efficiency plan.



However, Rural Services Delivery Grant was retained at 2017/18 levels, rather than being reduced to £81k as expected.

## Future prospects

Projections assume that the level of Settlement Funding Assessment (SFA) for 2019/20 will be as indicated in the 2018/19 settlement. There is considerable uncertainty relating to the SFA for 2020/21, 2021/22 and 2022/23, as this is beyond the current parliamentary term and after the possible implementation of 100% business rates retention. Indeed, it is now thought that the local share of business rates will only increase to 75% rather than 100% and that the tier split may also be changed. The outcome of the Fair Funding Review and a probable baseline reset create further uncertainty. The government has also indicated that it will consider the impact of negative RSG on the sector, which is welcome, but gives rise to additional uncertainty in the numbers presented. Therefore in the absence of better information, the overall SFA has been assumed to remain at 2019/20 levels.

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<b>Revenue Support Grant (RSG)</b>	-	-	-	-	-
<b>Business rates baseline (no accumulated growth)</b>	2,546	2,603	2,603	2,603	2,603
<b>Business rate tariff adjustment / negative RSG</b>	(191)	(661)	(661)	(661)	(661)
<b>Total SFA - per 2018/19 finance settlement and projections</b>	<b>2,355</b>	<b>1,942</b>	<b>1,942</b>	<b>1,942</b>	<b>1,942</b>

The final settlement will provide confirmed amounts for the SFA for 2018/19 and 2019/20. However, NHB and therefore core spending power is not guaranteed by the multiyear settlement.

## Local retention of business rates

The SFA approach enables local authorities to benefit directly from supporting local business growth. The assessment includes a baseline level of business rates receivable (indexed linked from an initial assessment in 2013/14) with the level of rates receivable above that being taken by government as a 'tariff' – which will be used to 'top up' local authorities who would receive less than their funding level. Government intends that this will be fixed until 2020.

In addition, the council can retain 50% of any business rates collected above the assumed baseline level, paying the remainder to central government as a 'levy'. If business rates income falls to less than 92.5% of the baseline, the council receives a 'safety net' payment so that any loss of income below the baseline is capped at 7.5%

One of the challenges faced by all authorities is effectively predicting the level of movement in the business rate tax base. This is dependent on accurately forecasting the timing and incidences of new properties, demolitions and significant refurbishments – together with the consequent effect on valuations. This is further complicated by the need to assess the level of appeals that will be lodged successfully against new / revised valuations, together with their timing.

Although there has been growth in the tax base in the area since the scheme started in 2013/14, there have also been significant reductions as a result of the settling of appeals against rateable value (including backdated aspects).

Forecasting the effects and timing of new development and redevelopment on the area's tax base remains difficult. Significant changes include the introduction of three Enterprise Zones within the district at Cambourne, Waterbeach and Northstowe, and the transfer of Papworth Hospital facilities to Cambridge, followed by redevelopment of the Papworth site. The business rates taxbase could also be impacted by an outstanding application from a network provider to transfer their hereditaments from the council's list to the central list. Together, the potential loss of business rates income from the Papworth site and the network provider have impacted forecasts of business rates income to the council by around £600k per year.

There are also significant uncertainties around the operation of the business rates retention scheme in the next few years.

The DCLG began working with local authorities and other interested parties in 2016 on changes to the local government finance system to pave the way for the implementation of 100% business rate retention. Progress on the design of any future scheme was halted by the General Election and it became clear that there was unlikely to be the capacity for government to consider the primary legislation required for 100% retention. However, as part of the settlement announcement in December the DCLG gave some indication about the future shape of Business Rates Retention.

The Secretary of State has announced that the local share in the Business Rates Retention Scheme (BRRS) will increase from 50% to 75% in 2020/21.

The review is likely to rebalance the distribution of business rates away from district councils towards those authorities with social care responsibilities, for example by changing the tariff and top up payments, or the relative shares of income between the tiers of local government. The government has also indicated that the increase in the retention percentage will mean the transfer of additional responsibilities to local government.

It remains difficult to forecast the appeals position accurately. There was a business rates revaluation at 1 April 2017. Alongside this there was a move to a process of 'Check, Challenge, Appeal' in respect of valuations. Nationally there has been very little activity in respect of businesses appealing their rateable values and this makes the appeals position for the 2017 list particularly challenging.

There are also uncertainties in respect of residual 2010 list appeals, with appeals settled elsewhere in the country having knock-on effects nationally. NHS Foundation Trusts, including those in the city, are also pursuing a claim for award of mandatory charitable relief, backdated a number of years.

Given these uncertainties, the BSR takes a cautious approach to forecasting business rates income, particularly after the changes due in 2020-21, where figures from the council's advisers, Pixel, are used.

## **New Homes Bonus**

The allocation of NHB for 2018/19 was announced by the DCLG in December 2017 and forms the basis for BSR 2018/19. An illustrative amount for 2019/20 was provided within the provisional finance settlement, see above.

The provisional settlement confirms that the length of time that the bonus is paid for will reduce from five to four years as expected. The threshold over which the bonus is paid will remain at 0.4% for 2018/19, allaying some concerns that the government would use this mechanism to reduce payments further.

The government has also decided not to go ahead with changes consulted on which would have meant the bonus being withheld for homes that have been approved on appeal.

The settlement provides illustrative NHB allocations to authorities for 2018-19 and 2019-20 by apportioning the total available funding over councils on the basis of the percentage allocation for 2017-18. The table below includes updated estimates of future NHB payments based on expected housing completions, four years of payment for bonus awarded in 2018/19 and thereafter and 0.4% deadweight threshold. Any changes in these factors could materially affect these estimates.

<b>NHB projections</b>	<b>2017-18 £000</b>	<b>2018-19 £000</b>	<b>2019-20 £000</b>	<b>2020-21 £000</b>	<b>2021-22 £000</b>
MTFS November 2017		3,038	3,181	4,066	5,617
MTFS January 2018	3,926	3,010	3,006	2,565	4,089
Government's illustrative allocations December 2017	3,926	3,010	2,581		

NHB is currently used to fund £1.8m of General Fund growth expenditure and small amounts of revenue expenditure on infrastructure projects supporting growth. Currently 40% of NHB is set aside as a contribution to the Greater Cambridge Partnership Investment and Delivery Fund, with remaining amounts reserved for the A14 upgrade contribution. However, the council's revenue expenditure and the A14 upgrade contribution take priority over the contribution to the Greater Cambridge Partnership Investment and Delivery Fund.

<b>New Homes Bonus</b>	<b>2018-19 £000</b>	<b>2019-20 £000</b>	<b>2020-21 £000</b>	<b>2021-22 £000</b>	<b>2022-22 £000</b>
<b>Confirmed NHB funding at February 2017 BSR</b>	3,038	3,181	4,066	5,617	
<b>Add</b>					
Confirmed NHB receipts for 2017-18	530	530	530	530	-
Estimated NHB receipts for 2018-19	-	1,012	1,012	1,012	1,012
Estimated NHB receipts for 2019-20	-	-	610	610	610
Estimated NHB receipts for 2020-21	-	-	-	1,938	1,938
<b>Potential New Homes Bonus Total</b>	<b>3,010</b>	<b>3,006</b>	<b>2,565</b>	<b>4,089</b>	<b>3,560</b>
<b>Commitments against NHB</b>					
Contribution to GF	1,803	1,803	1,803	1,803	1,803
Infrastructure Projects	285	65	15	15	15
Contribution to Greater Cambridge Partnership Investment and Delivery Fund (Balancing figure)	922 (31%)	1,138 (38%)	747 (29%)	712 (17%)	1,742 (49%)
Contribution to A14	-	-	-	5,000	-
Use of Infrastructure reserve fund	-	-	-	(3,441)	-
<b>Total commitments against NHB</b>	<b>3,010</b>	<b>3,006</b>	<b>2,565</b>	<b>4,089</b>	<b>3,560</b>
<b>Surplus / (Deficit) for the year allocated to the Infrastructure reserve fund</b>	-	-	-	-	-

The table above shows that it is no longer possible to contribute 40% of NHB receipts to the Investment and Delivery Fund whilst maintaining expected finding levels for growth. Levels of contribution will need to be addressed in negotiation with partners.

## Fees and charges

In line with increases in income assumed within the MTFs, proposals for increases to fees and charges are set out in Appendix A.

## Earmarked and specific funds

In addition to general reserves, the council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has

been received for a specific purpose but not yet spent. Details of opening and closing balances, with approved/anticipated use over the budget period are set out in Appendix D.

The major earmarked and specific funds are listed below with balances as at 1 April 2017.

## **General Fund Revenue Reserves - £17,207k**

### **New Homes Bonus Infrastructure Reserve - £7,637k**

NHB monies the authority receives from the Government, which are not used towards GF expenditure previously funded by Housing & Planning Delivery Grant or to meet Local Plan and associated costs; the A14 contribution of £5m will eventually come from this reserve, as well as any Greater Cambridge Partnership funding commitments. £517k contribution was accrued in 2016/17; this will be reflected in this reserve in 2017/18.

It is recommended that commitments SCDC needs to meet from this reserve are reevaluated and any surplus is released.

### **Business Rates Growth and Renewables Reserve - £6,278k**

Set up at the end of 2015/16 in order to fund an investment programme to build new sources of renewable energy. A proposal for use of these funds prepared by the Policy team has been presented to EMT on 27 September 2017. This will utilise £1.2m element of the reserve arising from the Business Rates received from the Renewable Energy sources and permitted to be retained locally at 100% in order to be reinvested back in Renewable Energy. Remainder of the reserve are the funds from the rates retention pilot. At this time, the Council is not clear if any conditions are attached to the retention of these funds.

It is recommended that clarification is obtained regarding potential conditions for the use of the funds before releasing any unused funds.

### **Pension Deficit Reserve - £702k**

An allocation from employer pension contributions to meet the current deficit on the Cambridgeshire Local Government Pension Scheme over the next few years. To be retained.

### **Planning Enforcement Reserve - £500k**

Established to meet legal and other costs arising from planning enforcement actions. This reserve is to be maintained in case of major enforcement and will be topped back up if used.

### **Business Efficiency Reserve - £340k**

Set aside to meet costs associated with council actions, implementation of the Business Improvement and Efficiency Programme and Commercialisation Programme projects and the Shared Services Programme. Annual contribution of £50k is budgeted for transfer to this reserve. The Leaders of Cambridge City Council, Huntingdonshire District Council and SCDC have committed £200k of this reserve towards the costs of the 3C Programme Office over two years. This reserve is due to be reduced by £60k to cover the costs of the 3C Shared Services Hub for 2016/17 and a further £40k relating to the budgeted costs of the 3C Shared Services Hub for 2017/18, making the two year cost of the 3C Shared Services Hub £100K instead of £200k.

It is recommended that annual contributions to this reserve are stopped and the available remaining funds are used to continue the work of setting up the Shared Services.

### **Business Accommodation Reserves - £98k**

Consisted of the Cambourne Office reserve of £23k relating to the access road and the Facilities Reserve of £75k created in 2015/16 to spread the cost of repairs. There is a separate capital reserve specifically for capital improvements to the Cambourne office (see below).

It is recommended that the reserves relating to the Cambourne office and Facilities improvements are used to fund the bids for office refurbishment programmes.

### **Sustainability -climate change - £117k**

Set aside to fund future initiatives on sustainability projects such as the one recently delivered on the Cambridge Green Deal. There are likely to be an increased number of these with the development of Northstowe and other growth area developments. No funds from these reserve have been spent since 2015.

It is recommended that this reserve is released.

### **Private Stock Condition Survey - £75k**

Set aside to fund a future survey on the condition of private housing in the district. This is part of a Housing Standards initiative. It was a statutory obligation imposed on local authorities to undertake a survey of this nature every 5 years - £15k is set aside from budget each year (including 2017-18) to meet these 5 year costs.

It is recommended that the value in this reserve is reviewed against the timing and potential cost of the survey it was set up to fund.

### **Children & Young People- £75k**

Set side to fund the current and future costs of the South Cambridgeshire and Cambridge City Children and Young People Area Partnership. SCDC provide the financial support and administer the finances on behalf of the South Cambridgeshire and Cambridge City Children and Young Peoples Area Partnership. This is a partnership reserve shared with the County.

### **Business Hub- £67k**

Reserve set up in 2015/16 to support the Business Hub initiative. Funds in this reserve include funds from the County Council (originally £72K), which cannot be used without their consent.

### **Land Charges- appropriations - £19k**

Set aside to either provide capital investment in Land Charges e.g. electronic service delivery or to offset unforeseen revenue demands that accrue but cannot be recovered through the current fee structure, set at the start of the year. The reserve has been accumulated in recent years from high income levels, which have out-stripped costs; a significant amount was withdrawn from this reserve in 2016-17 and by its nature, can only be utilised through the Land Charges function.

## **Planning Reserves - £974k**

### **Major Developments Fees and Parish Liaison Reserve - £472k**

### **Northstowe Reserve - £128k**

These two reserves have been established from pre-app and planning application fees received in respect of Northstowe and other major developments, identified separately in recognition of their importance, to be called on as and when necessary to ensure planning teams are resourced to support and progress applications for those developments.



This includes the balance remaining from the Planning Enforcement Reserve when it was decided to reduce that reserve from a maximum of £1m to £500,000, set aside to fund two two-year fixed term posts, one in housing and one in planning, to support parish liaison and site development initiatives.

Due to the shortfall in the Development Management income this year, it is expected that £150k transfer from reserves will be required to cover the additional funds allocated to this Cost Centre in the budget and originally covered by additional savings requirement for the same value. It is recommended that remainder of the reserve is used to cover Planning bids for funds in 2018-19.

**Planning Fee Reserve excl Northstowe - growth agenda - £179k**

**Parish Liaison & Site Development Reserve - £100k**

These are general use reserves to be used to support Growth budget or additional Planning service requirements as and when necessary.

A detailed 5-year project plan for Growth sets out periodic shortfalls in revenue versus costs and would indicate when and how much for this reserve needs to be allocated for this purpose. This is due to be presented to Finance shortly. It is recommended that this is reviewed and any remainder of the reserve is used towards Planning service bids for 2018-19 or released.

**Planning other - £95k**

Includes Enforcement of unauthorised developments, Habitat Regulations Assessment, Legal costs: re Northstowe Trust.

This reserve has not been used in the last 2 years and is therefore recommended for release.

**Shared Waste Service - £45k**

Included with S106 Developers' Contributions Revenue reserves in the accounts. Set up to meet the authority's share of costs resulting from implementation of the Single Shared Waste Service with Cambridge City Council. Reduced from £126k in February 2016 MTFS and £85k in February 2017 MTFS.

**Capital Reserves - £1,084k**

**Refuse Collection reserve - £407k**

**Refuse Supervisors' vehicles - £46k**

This is a sinking fund being built-up to fund future replacement vehicles for the Shared Waste Service. There is also a sum of £46k set aside for replacement of Supervisors' vehicles.

**Street Cleansing reserve - £229k**

This is a sinking fund being built-up to fund future replacement vehicles for the Street Cleansing Service.

**Air Quality monitoring - £119k**

The reserve was set up to fund replacement of equipment used for Air Quality monitoring.

**Footway Lighting reserve - £87k**

The reserve was set up in 2015-16 to fund the future planned replacement programme of those lights identified as of higher priority in the electrical and safety inspection survey undertaken recently.

**Cambourne Office - £83k**

The reserve was set up in 2008 for improvements to the office building; this was earmarked for refurbishment projects including moving the meeting rooms to a new location.

There is a separate Cambourne office revenue reserve of £23k (mentioned above).

It is recommended that this reserve is used towards the bids submitted for 2018-19 projects.

**Heritage initiatives and historic buildings - £40k**

The Reserves for Heritage and Historic Buildings consists of the following:

The Historic Buildings/Conservation Area Grants Reserve, which appears to have been overspent and currently has a debit balance of £28k.

The Preservation of Historic Buildings Reserve, first established in 1982 to provide the means, in the last resort, to save buildings at risk. It has enabled the Council to use its statutory powers, which could lead to compulsory purchase, repair and resale of such property. This Reserve currently has a balance of £35k.

The Heritage Initiatives Reserve set up in 1996/97 with a one-off contribution of £200,000, for use over a number of years to fund larger conservation projects. The balance of this Reserve is currently £34k.

No use of these reserves was made in the last 2 years, therefore these are recommended for release.

**Community Development - Capital - £35k**

This reserve has been given up to provide extra Community Chest funding in 2017/18.

**GF Revenue Reserves - Other - £326k**

Swavesey Byeways Fund - £6k

Built up from the under-utilisation of the money paid through the ratepayers charge. Essentially not owned by SCDC and should be spent on future investment in maintaining the Byeways.

South Cambs Crime & Disorder Partnership - £33k

Partnership reserve held on behalf of the South Cambridgeshire Crime & Disorder Reduction Partnership. Any decision to utilise spend from this is made at Board level.

Community Chest Grants - £1k

Commitment made at the end of the financial year, which hasn't yet been paid – this has now been paid.

Taxi Licensing Reserve - £67k

Fund has been built up recently from excess income generated through the service compared to how much it costs to administer the function. Excess fee income must be re-invested back into the service or licence fees reduced to offset this excess sum on account. Plans are in-place to draw-down from this fund by employing additional resource to cope with the high demand whilst keeping the licensing fee within current levels in the short term.

RCV (Refuse Collection Vehicle) Sinking Fund - £41k

This is a revenue fund, which we make contributions to as an insurance against heavy maintenance and repair costs that may be incurred on RCV's beyond their warranty period e.g. new engine or gearbox, which aren't budgeted for within the running maintenance budget. Previously, these heavy costs would be covered under the contract lease agreement but SCDC are moving away from this policy to one of asset ownership.

Street Cleansing Vehicles Sinking Fund - £24k

Ditto the above but in respect to Street Cleansing vehicles.

Air Quality Monitoring x2 - £29k + £6k

These are in respect of two separate s106 agreements, one at Northstowe (£29k) and one on the Cambridge NW development site (£6k). These s106 will have conditions attached to them ensuring that the funds are spent in accordance with the purpose set out in the agreement.

Health & Environmental Services - £24k

Council was successful in securing funding from Improvement East towards a new systems thinking process design. Funds from this are earmarked towards the facilitation of better mobile working strategy within the H&ES department.

Travellers Site Reserve - £50k

This fund has built-up in the last two years from the excess rental income generated from the two Council owned sites at Milton and Whaddon. Both sites have had capital injected in them recently and as such are relatively newly developed with low maintenance costs, meaning rental income as out-stripped the costs of running the sites. The money on this fund

could be used for future capital improvements in the sites or used to counter-balance unexpected and therefore unbudgeted day-to-day running costs.

#### Waterbeach Depot - £5k

There is an annual £5k appropriation into this fund (jointly funded with Cambridge City Council) as an insurance against any unexpected maintenance costs, which as tenants, we'd be expected to cover. It is proposed that a ceiling level be set for this so that when it reaches this point e.g. £20k, no more extra money is put in, only replenishments up to the £20k.

#### Webbs Hole Sluice - £3k

It was decided last year to build up a £15k sinking fund to cover the costs of any major overhaul and servicing works required at the pumping station which it was felt would be needed every 5-years. Therefore, the £3k represents the first year of the 5-years.

### **Planning Policy – new earmarked reserve**

A further earmarked reserve is proposed to be created as approved by EMT on 3 January 2018.

A Planning Policy reserve is to be created with the funds allocated from

- Roll over from year 2016-17 relating to the Local Plan (£223,877);
- To be topped up from the underspend projected to occur this year and to be used for future “commissioning” of SCDC specific policy work from the shared planning service policy team.

Creation of the reserve is based on the need for a carry forward of unspent funds associated with the delay in adoption of the Local Plan and associated projects (such as CIL) – which will push some of the final bills and costs into 2018/19.

# Tax base and council tax

## **Tax base**

The tax base is one element in determining both the level of council tax to be set and the amount it is estimated will be collected. This calculation is governed by regulation and the formal setting of the tax base is delegated to the council's Chief Finance Officer to enable notification to be made to the major precepting authorities during January each year.

The tax base reflects the number of domestic properties in the district expressed as an equivalent number of band D properties, calculated using the relative weightings for each property band. The calculation of the tax base takes account of various discounts (for example a 25% discount for single adult households) exemptions and reliefs. Allowances are also made for the projected growth in the number of dwellings as well as including a deduction assumed for non-collection.

The tax base for 2018/19 has been calculated as 61,410.2. This reflects a 0.9% increase in the tax base compared with 2017-18.

## **Collection fund**

### **Operation of the fund**

The collection fund is a statutory fund, maintained by billing authorities such as the council, into which income from council tax and business rates is recorded and out of which respective amounts set for the year, are paid to the council and precepting bodies.

## **Council tax thresholds**

Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase Council tax above the relevant limit set by the Secretary of State.

In recent years this threshold has been set at 2%, with some shire districts, including this council, permitted to increase their element of council tax by up to £5, where this is higher than 2%. For 2018-19, the government has proposed that all shire districts can raise council tax for a band D property up to 3% or £5, whichever is higher. As a £5 increase is equivalent to 3.7%, this council does not have the option to propose an increase above £5 without holding a referendum.

The overall effect of the referendum requirements is such that a local authority would need to have reasonable expectation of public support for a level of council tax increase deemed to be excessive compared to the threshold, if acting in a prudent manner.

## Council tax level

The option presented in this report is to increase Council tax by £5 p.a. in 2018/19 and each year thereafter.

	District council tax 2017-18 £	District council tax 2018-19 £	Difference £
Band A	90.21	93.54	3.33
Band B	105.24	109.13	3.89
Band C	120.28	124.72	4.44
Band D	135.31	140.31	5.00
Band E	165.38	171.49	6.11
Band F	195.45	202.67	7.22
Band G	225.52	233.85	8.33
Band H	270.62	280.62	10.00

# Section 4

## General Fund revenue budgets

### Revised budget 2017-18

GF revenue budgets for the current year (2017-18) were reviewed as part of the MTFS. No adjustment of 2017-18 revenue budgets is proposed, as budgets are monitored monthly through the review of variances and forecast outturns, and management actions taken to ensure that spending is controlled and income optimised.

### Budget 2018-19

Detailed budget estimates have been prepared for 2018-19, incorporating pressures, savings and additional income identified in the MTFS in November 2017. The resulting budget estimates are presented in Section 5. The GF revenue projections for 2019-20 to 2022-23 have been reviewed and changes proposed. These proposals are listed below and the resulting GF revenue forecast is presented in Section 6.

<b>NET EXPENDITURE</b>	<b>Estimate 2017-18 £000</b>	<b>2017-18 Inflated by 2% £000</b>	<b>Estimate 2018-19 £000</b>	<b>Difference £000</b>
<b>Portfolio</b>				
Leader	398	406	357	(49)
Finance and Staffing	3,480	3,550	3,548	(2)
Corporate and Customer Services	1,985	2,024	2,818	794
Economic Development	211	216	203	(13)
Environmental Services	5,789	5,905	5,677	(228)
Health & Wellbeing	288	294	412	118
Housing (General Fund)	1,621	1,654	1,382	(272)
Planning	2,688	2,742	3,466	724
Greater Cambridge Partnership	-	-	39	39
Strategic Planning and Transportation	1,112	1,135	1,072	(63)
Items not currently included in recharges	-	-	249	249
<b>Fully Allocated Net Portfolio Expenditure</b>	<b>17,573</b>	<b>17,924</b>	<b>19,223</b>	<b>1,650</b>

## Precautionary items

These are items of expenditure, which may or may not occur and are listed in Appendix B. The Finance and Staffing Portfolio Holder and the Chief Finance Officer have delegated authority to approve such expenditure. A budget of £75k has been assigned for precautionary items, but if this is exceeded spending up to the level indicated would be met from reserves.

## Bids and Savings

Revenue and capital bids are submitted for review, assessment and recommendation to council for funding. Tables of bids to be recommended are attached in Appendix C(a) – Revenue, and Appendix C(b) – Capital.



# Strategy to deliver net savings target

There are a number of ways that the council will address the net savings target:

- The council's housing company, Ermine Street Housing Limited (ESH), is expected to expand, requiring further loans from the council to buy houses for market rent. To date, returns forecast in the company's business plan have been achieved a year ahead of schedule. However, whilst increased returns are expected to be significant, the timing and amounts are dependent on the local housing market and general economic factors. The MTFS includes returns estimated in line with the latest ESH business plan.
- A programme of transformation and service review will be developed to ensure that the council is 'fit for the future'.
- Further opportunities will be sought to identify and develop income streams through the commercialisation of council services where appropriate.
- Opportunities for investment of council funds, for example, in commercial property and green energy projects, will be explored.

# Section 5

## General Fund: Expenditure and funding 2018-19

NET EXPENDITURE	Estimate 2017-2018 £000	Estimate 2018-2019 £000
<b>Portfolio</b>		
Leader	398	357
Finance and Staffing	3,480	3,548
Corporate and Customer Services	1,985	2,818
Economic Development	211	203
Environmental Services	5,789	5,677
Health & Wellbeing	288	412
Housing (General Fund)	1,621	1,382
Planning	2,688	3,466
City Deal	-	39
Strategic Planning and Transportation	1,112	1,072
Items currently not included within Recharges - 09/01/18		249
<b>Fully Allocated Net Portfolio Expenditure</b>	<b>17,573</b>	<b>19,223</b>
Reduction for vacancies	(450)	-
City Deal Funding Contribution	1,570	922
(Surplus)/Deficit on Infrastructure Reserve Fund	353	-
<b>Savings not included in Portfolio estimates</b>	<b>(163)</b>	<b>(449)</b>
Expenditure on Precautionary Items	75	75
Council Actions	50	50
<b>Net Portfolio Expenditure</b>	<b>19,008</b>	<b>19,820</b>
Internal Drainage Boards	198	198
Interest on Balances	(800)	(1,702)
Capital Charges, etc.	(864)	(864)
<b>Net District Council General Fund Expenditure</b>	<b>17,542</b>	<b>17,452</b>
Appropriation to/(from) Earmarked Reserves	399	(443)
Appropriation to/(from) Earmarked Reserves included in recharges to services	(55)	-
New Homes Bonus	(3,926)	(3,010)
<b>General Expenses (Budget Requirement for capping purposes)</b>	<b>13,960</b>	<b>14,000</b>
Revenue Support Grant	(230)	191
Rural Services Grant	(105)	(105)
Transition Grant	(76)	-
Retained Business Rates and Grant	(3,752)	(5,470)
(Surplus)/Deficit on Collection Fund re Council Tax	(46)	-
(Surplus)/Deficit on Collection Fund re Business Rates	(1,518)	-
<b>Demand on Collection Fund to be raised from council taxpayers</b>	<b>8,234</b>	<b>8,617</b>

# Section 6

## Five year General Fund revenue forecast 2018-19 to 2022-23

Five year General Fund revenue forecast is presented below:

# MEDIUM TERM FINANCIAL STRATEGY for the General Fund

General provision for Inflation												
Assuming council tax increases of £5		Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
		2016/17	2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>EXPENDITURE</b>												
Fully Allocated Net Portfolio Expenditure		15,433	17,467	17,467	19,223	19,494	20,123	20,704	21,190	21,614		
Add Precautionary items/Council actions/other		10	125	125	125	125	125	125	125	125		
Less Planning Policy funded by New Homes Bonus		(327)	(200)	(200)	(285)	(65)	(15)	(15)	(15)	(15)		
Rollovers from 2016-17 to 2017-18				250								
Financial Position Report (Q2 2017-18)				(72)								
Net Portfolio Expenditure		15,116	17,392	17,570	19,063	19,554	20,233	20,814	21,300	21,724		
Net Interest on balances (including ESH)		(679)	(800)	(417)	(587)	(587)	(587)	(587)	(587)	(587)		
ESH-only projection in 17-18				(1,035)								
ESH growth per Business plan					(1,115)	(1,373)	(1,637)	(1,906)	(2,181)	(2,181)		
Internal Drainage Boards, Reversal of												
Depreciation and Minimum Revenue Provision		(778)	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(667)		(667)
Additional MRP requirement due to Capital Bids						176	178	178	183	115		
<b>District Council General Fund Expenditure</b>		<b>13,659</b>	<b>15,926</b>	<b>15,451</b>	<b>16,695</b>	<b>17,104</b>	<b>17,520</b>	<b>17,832</b>	<b>18,048</b>	<b>18,404</b>		
Additional income/(savings) to maintain working balance in the year			(163)		(449)	(562)	(936)	(1,177)	(1,280)	(2,957)		
<b>Expenditure including savings</b>		<b>13,659</b>	<b>15,763</b>	<b>15,451</b>	<b>16,246</b>	<b>16,542</b>	<b>16,584</b>	<b>16,655</b>	<b>16,769</b>	<b>15,448</b>		
<b>INCOME</b>												
Revenue Support Grant (including negative tariff adjustment)		(926)	(230)	(230)	191	661	661	661	661	661		661
Rural Services Grant		(130)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)		(105)
Transition Grant		(76)	(76)	(76)								
Retained Business Rates		(3,604)	(3,752)	(3,752)	(5,470)	(5,664)	(2,920)	(2,970)	(3,022)	(3,060)		(3,060)
(Surplus)/Deficit on Council Tax Collection Fund		(38)	(46)	(46)	0	0	0	0	0	0		0
(Surplus)/Deficit on Business Rates Collection Fund		153	(1,518)	(1,518)	0	0	0	0	0	0		0
Council Tax to be raised from council taxpayers		(7,852)	(8,234)	(8,234)	(8,616)	(9,130)	(9,662)	(10,184)	(10,745)	(11,141)		(11,141)
New Homes Bonus (contribution to the GF)		(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)		(1,803)
<b>District Council General Fund Income before appropriation from reserve</b>		<b>(14,275)</b>	<b>(15,763)</b>	<b>(15,763)</b>	<b>(15,803)</b>	<b>(16,042)</b>	<b>(13,829)</b>	<b>(14,401)</b>	<b>(15,014)</b>	<b>(15,448)</b>		
Appropriations to/(from) Earmarked Reserves					(443)							
Appropriations to/(from) General Fund working balance		617		312	0	(500)	(2,754)	(2,254)	(1,754)	0		0
<b>District Council General Fund Income</b>		<b>(13,659)</b>	<b>(15,763)</b>	<b>(15,451)</b>	<b>(16,246)</b>	<b>(16,542)</b>	<b>(16,584)</b>	<b>(16,655)</b>	<b>(16,769)</b>	<b>(15,448)</b>		
Tax Base for Tax Setting Purposes including discount for localised council tax support		Number 60,257.0	Number 60,855.4	Number 60,855.4	Number 61,410.2	Number 62,834.4	Number 64,281.5	Number 65,569.7	Number 67,027.0	Number 68,133.6		
			1.0%		1.6%	2.3%	2.3%	2.0%	2.2%			
Basic Amount of Council Tax		£	£	£	£	£	£	£	£	£		£
District only		130.31	135.31	135.31	140.31	145.31	150.31	155.31	160.31	163.51		
			3.8%		3.7%	3.6%	3.4%	3.3%	3.2%			
Impact on Council tax of using savings and appropriations from reserves		(10.23)	2.67	(5.13)	14.52	16.91	57.42	52.33	45.27			
Underlying Council Tax with no appropriations from the General Fund Balance or Savings		£ 120.08	£ 137.98	£ 130.18	£ 154.83	£ 162.22	£ 207.73	£ 207.64	£ 205.58	£ 233.37		
Balances at Year End		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		

# Section 7

## Capital

The GF capital programme is summarised below:

<b>CAPITAL PROGRAMME - GENERAL FUND</b>								
(at outturn prices, with grants adjusted to commitments basis)								
		Estimate	Actuals	Estimate	Actuals	Estimate	Estimate	
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
		£	£	£	£	£	£	
Actuals								
2016/2017	<b>Corporate and Customer Services Portfolio</b>							
£	<b>ICT Development:</b>							
21,414	PC Refresh Programme	10,000	35,000	10,000	10,000	10,000	10,000	
3,140	New Server Technologies	15,000	0	0	0	0	15,000	
3,126	Infrastructure	0	0	0	0	0	0	
257,000	Server Room Migration Project	0	0	0	0	0	0	
	Share Point Portal Server	10,000	10,000	10,000	10,000	10,000	10,000	
	Government Connect	5,000	5,000	5,000	5,000	5,000	5,000	
5,894	Mobile Working Initiatives	0	0	0	0	0	0	
	Network security	10,000	20,000	10,000	10,000	10,000	10,000	
20,000	Housing management system	200,000	22,500	101,500	5,250	5,250	1,500	
	Capital Bid - Replacement of Housing IT System	0	200,000	0	0	0	0	
	Replacement CMS (website)	25,000	0	0	0	0	0	
(390)	GIS Development Programme	0	40,000	0	0	0	0	
126,602	Financial Management System (FMS)	10,000	10,000	10,000	10,000	10,000	10,000	
24,950	Revenues / Benefits System							
475	Cash Receiving System	10,000	10,000	10,000	10,000	10,000	10,000	
	Council Chamber PA System	0	60,000	0	0	0	0	
	Major Systems Upgrade (H & ES) - Indicative Cost (SCDC Share)	0	177,000	0	0	0	0	
	Storage Array for Information@Work	5,000						
	CPSN Procurement	20,000	0	0	0	0	0	
	Aerial Photography Refresh	0	0	15,000	0	0	0	
	Replacement Firewall and Service Gateways	0	60,000	0	0	0	0	
	ICT Security - Threat Management Gateway	15,000	0	0	0	0	0	
	New Waste Management IT Solution (SCDC Share)	150,000	0	0	0	0	0	
	Desktop Transformation Programme	0	360,000	0	0	89,000	89,000	
	Customer Portal to Website	0	51,000	0	0	0	0	
	<b>Communications</b>							
13,495	Website Development	25,000	0	0	0	0	0	
0	Digital By Default Project	45,000	0	0	0	0	0	
	<b>South Cambridgeshire Hall</b>							
	Secure Storage Facility at SC Hall	0	30,000	0	0	0	0	
	Fire Escape Enclosures	0	50,000	0	0	0	0	
	Planning Shared Service- Adaptions for flexible working on first floor		28,000					
	Enhancement of ground flor facilities and catering provision		233,000					
	Meeting room relocation	150,000	0	0	0	0	0	
475,706		705,000	1,401,500	171,500	60,250	149,250	160,500	
	<b>Finance and Staffing Portfolio</b>							
	Advance funding for housing company pilot scheme	0	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
	CLIC investment		1,850,000					
	Contribution towards A14 upgrade	0	0	0	5,000,000	0	0	
0		0	16,850,000	15,000,000	20,000,000	15,000,000	15,000,000	

<b>CAPITAL PROGRAMME - GENERAL FUND</b>							
<b>(at outturn prices, with grants adjusted to commitments basis)</b>							
Actuals		Estimate	Actuals	Estimate	Actuals	Estimate	Estimate
2016/2017		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
£		£	£	£	£	£	£
	<b>Environmental Services Portfolio</b>						
	Refuse Collection Service						
0	Supervisor Vehicles	0	44,000	15,000	23,000	0	0
527,249	Refuse Collection Vehicles	2,637,000	335,000	0	100,000	372,000	372,000
	Awarded Watercourses						
0	Tractors	0	0	80,000	0	0	80,000
42,850	Flail Mowers	100,000	0	37,000	10,000	0	37,000
41,857	4 x 4's						
9,500	Trailer		8,000		8,000		
	Street Cleansing						
	Pavement Street Sweepers	0	160,000	0	0	0	0
	Road Sweeper and Truck Replacements	37,000	179,000	0	0	304,800	304,800
0	Environmental Protection						
17,388	Air Quality Monitoring Equipment	50,000	0	0	0	0	0
0	Noise Monitoring Equipment	0	16,000	16,000	0	0	0
	Environmental Services Enforcement Vehicle						
	Envirocrime Enforcement Vehicle			20,400	0	0	0
0	Footway Lighting						
	LED Pilot Scheme	0	7,000				
638,844		2,824,000	749,000	400	141,000	676,800	793,800
	<b>Housing Portfolio</b>						
0	Required GF Share of HRA Capital Expenditure	10,000	10,000	10,000	10,000	10,000	10,000
1,310,957	Repurchase of General Fund Sheltered Properties	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
16,962	Refurbishment of General Fund Equity Share Properties	50,000	0	0	0	0	0
90,000	Grants for the provision of Social Housing	500,000	716,100	500,000	500,000	500,000	500,000
0	Empty Homes Grants	0	0	0	0	0	0
18,048	Travellers Sites	0	0	0	0	0	0
	Improvement Grants/Loans						
67,424	Home Repairs Assistance	100,000	100,000	100,000	100,000	100,000	100,000
	Disabled Facilities						
560,735	Mandatory	660,000	660,000	660,000	660,000	660,000	660,000
1,606	Discretionary	10,000	10,000	10,000	10,000	10,000	10,000
2,065,732		2,430,000	2,596,100	2,380,000	2,380,000	2,380,000	2,380,000
	<b>Planning Portfolio</b>						
0	Webbs Hole Sluice	0	0	0	0	0	0
	ICT new Planning system	0	30,000	0	0	0	0
9,884	Sawston Tannery	0	0	0	0	0	0
9,884		0	30,000	0	0	0	0
	<b>Strategic Planning and Transport Portfolio</b>						
0	Bike Bus Trailer	0	0	0	0	0	0
0		0	0	0	0	0	0
3,190,166	<b>Gross Capital Expenditure ( General Fund )</b>	5,959,000	21,626,600	17,719,900	22,581,250	18,206,050	18,334,300

Hill David:  
Funded From  
Renewables  
Reserve

<b>CAPITAL PROGRAMME - GENERAL FUND</b>								
(at outturn prices, with grants adjusted to commitments basis)								
Actuals 2016/2017 £		Estimate 2017/2018 £	Actuals 2018/2019 £	Estimate 2019/2020 £	Actuals 2020/2021 £	Estimate 2021/2022 £	Estimate 2022/2023 £	
<b>3,190,166</b>	<b>Gross Capital Expenditure ( General Fund )</b>	<b>5,959,000</b>	<b>21,626,600</b>	<b>17,719,900</b>	<b>22,581,250</b>	<b>18,206,050</b>	<b>18,334,300</b>	
	Analysed by:							
2,460,517	Fixed Assets	4,689,000	3,260,500	1,449,900	1,311,250	1,936,050	2,064,300	
729,649	Revenue Expenditure funded from Capital under Statute	1,270,000	18,366,100	16,270,000	21,270,000	16,270,000	16,270,000	
<b>3,190,166</b>	<b>Gross Capital Expenditure ( General Fund )</b>	<b>5,959,000</b>	<b>21,626,600</b>	<b>17,719,900</b>	<b>22,581,250</b>	<b>18,206,050</b>	<b>18,334,300</b>	
	Financed by:							
(1,825,143)	Capital Receipts	(1,355,000)	(2,148,500)	(1,133,500)	(1,106,250)	(1,195,250)	(1,206,500)	
0	Specified Government Grant (DCLG)	0	0	0	0	0	0	
(90,000)	S106 Agreement Contribution (ring fenced for Housing)	(500,000)	(716,100)	(500,000)	(500,000)	(500,000)	(500,000)	
0	Housing Capital Grant	0	0	0	0	0	0	
	Cambridgeshire County Council (DFG)	(591,110)	(312,000)	(312,000)	(312,000)	(312,000)	(312,000)	
(16,962)	Revenue	(270,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	
(9,884)	Other Grant Funding	0	0	0	0	0	0	
(478,783)	Housing Capital Reserve	(188,890)	(468,000)	(468,000)	(468,000)	(468,000)	(468,000)	
(111,595)	Other Reserves	(150,000)	(231,000)	(152,400)	(141,000)	(676,800)	(793,800)	
(130,550)	Revenue contribution from HRA towards software etc.	(230,000)	(270,000)	(119,000)	(19,000)	(19,000)	(19,000)	
(527,249)	Internal Borrowing - re Commercial Vehicles	(2,674,000)	(335,000)	0	0	0	0	
	Internal Borrowing - re other projects	0	0	0	0	0	0	
0	Earmarked Reserves	0	(261,000)	0	0	0	0	
0	External Borrowing. For onward lending to ESHsg and CLIC	0	(16,850,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	
0	New Homes Bonus Infrastructure Reserve	0	0	0	(5,000,000)	0	0	
<b>(3,190,166)</b>	<b>Total Capital Financing</b>	<b>(5,959,000)</b>	<b>(21,626,600)</b>	<b>(17,719,900)</b>	<b>(22,581,250)</b>	<b>(18,206,050)</b>	<b>(18,334,300)</b>	



# Section 8

## Risks and reserves

### Risks and their mitigation

#### Risks and sensitivities

The council is exposed to a number of risks and uncertainties, which could affect its financial position, and the deliverability of the proposed budget. These risks include:

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- Funding from central government (NHB and other grants) may fall below projections;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- The economic impact of the United Kingdom leaving the European Union may impact the council's income and expenditure, for example, planning fee income and inflation on goods and services;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2010, may significantly exceed the provision set aside for this purpose. In particular, claims for mandatory charitable relief in relation to NHS hospitals may adversely impact business rates income;
- The business rates revaluation, which came into effect in April 2017, may reduce business rates receipts and increase the level of appeals;
- The impact of 100%/75% business rates retention, coupled with any additional responsibilities handed down to the council at that time and the outcome of the Fair Funding Review, may create a net pressure on resources;
- New legislation or changes to existing legislation may have budgetary impacts; and
- Unforeseen capital expenditure may be required.

## Section 25 Report

Section 25 (s. 25) of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) reports to the authority, when it is making the statutory calculations required to determine its council tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations, and
- The adequacy of the proposed levels of financial reserves.

This includes reporting and taking into account:

- the key assumptions in the proposed budget and to give a view on the robustness of those assumptions;
- the key risk areas in the budget and to assess the adequacy of the council's reserves when reviewing the potential financial impact of these risk areas on the finances of the council; and
- it should be accompanied by a reserves strategy

This report has to be considered and approved by full council as part of the budget approval and council tax setting process.

The majority of the material required to meet the requirements of the Act has been built into the key reports prepared throughout the corporate budget cycle, in particular:

- MTFS 2017
- The corporate plan and the budget reports to the February cycle of meetings.

This reflects the fact that the requirements of the Act incorporate issues that the council has, for many years, adopted as key principles in its financial strategy and planning; and which have therefore been incorporated in the key elements of the corporate decision-making cycle.

This also reflects the work in terms of risk assessment and management that is built into all of the key aspects of the council's work.

The Section 25 report will be included as Appendix 5 to the main MTFS report.

# General reserves

GF reserves are held as a buffer against crystallising risks, and to deal with timing issues and uneven cash flows. As such, the level of reserves required is dependent on the financial risks facing the council, which will vary over time. The prudent minimum balance (PMB) and target level of GF reserves were reviewed and confirmed in the MTFS. No further changes are recommended at this time.

GF reserves	£m
<b>November 2016 MTFS / February 2017 BSR – Recommended levels</b>	
- Target level	3.05
- Minimum level	2.54

The projected levels of reserves for the budget setting period, based on the proposals included in this report, and assuming that all net savings requirements are delivered, are as follows:

Description	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000
<b>Balance as at 1 April (b/fwd)</b>	<b>(9,451)</b>	<b>(9,763)</b>	<b>(9,763)</b>	<b>(9,263)</b>	<b>(6,509)</b>	<b>(4,254)</b>
Contribution (to) / from reserves	(312)	0	500	2,754	2,255	1,754
<b>Balance as at 31 March (c/fwd)</b>	<b>(9,763)</b>	<b>(9,763)</b>	<b>(9,263)</b>	<b>(6,509)</b>	<b>(4,254)</b>	<b>(2,500)</b>

# **GF BSR Appendix A**

## Fees and charges

The council's constitution delegates the approval of fees and charges to the relevant portfolio holder, with the exception of the HRA rents and charges, which are to be recommended by the Cabinet to Council for approval.

HRA rents and charges are addressed in the HRA BSR, presented in Appendix 2 to the main MTFs report.

### **Home Improvement Agency fees**

Approval of the Portfolio Holder (Housing) is requested to delegate the decision in respect of any variation in fees to be charged by the Home Improvement Agency (HIA), to the Director of Housing, following agreement of the proposed level of charges by the Shared HIA Board. Although a consistent fee needs to be agreed for the HIA, the formal approval of each of the three partner authorities is required, as the fees are payable as part of the capital Disabled Facilities or Repair Assistance Grants awarded by each Council.

An increase in fees may be necessary to replace the annual revenue support for the HIA, which is being progressively reduced by Cambridgeshire County Council and the Clinical Commissioning Group, as part of wider plans for the future funding and delivery of Disabled Facilities Grants through the Better Care Fund across Cambridgeshire as a whole. Revenue support from the Clinical Commissioning Group is withdrawn in full from April 2018.

# GF BSR Appendix B

## Precautionary items

These are items of expenditure over which there is some doubt as to whether they will occur, but if they did, the council would be required to meet them. If the spending need does arise on any item, delegated authority has been given to the Finance and Staffing Portfolio Holder and the Chief Finance Officer to approve such expenditure (to be met from reserves), up to the level indicated for the relevant year:

	Total approved £000	Used in 2017-17 to Jan 2017 £000
<b>Precautionary Items for 2017/18</b>		
Agency Staff - Growth Agenda (To Cover if Unable to Recruit)	50	0
Planning Policy - 2 Principal Planning Officers	115	0
Homelessness - additional accommodation	60	0
Awarded Watercourses - emergency works	15	0
Contaminated Land - remedial works	82	0
Clearance of Private Sewers	6	0
National Assistance Burials Act	5	0
District Emergencies	50	0
Additional insurance for Shared Waste Fleet	13	0
Potential cost of the holiday back pay	27	0
<b>Total</b>	<b>423</b>	<b>0</b>

<b>Precautionary Items for 2018/19</b>		
Homelessness - additional accommodation	60	
DWP grant reduction - Universal Credit roll out	50	
Additional use of credit cards - related fees	15	
Awarded Watercourses - emergency works	15	
Contaminated Land - remedial works	82	
Clearance of Private Sewers	6	
National Assistance Burials Act	5	
District Emergencies	50	
Material Price Managed Through MRF Contract	50	
Fuel Inflation above the CPI allowance	20	
Community Street Cleansing Initiative	30	
<b>Total</b>	<b>383</b>	

## GF BSR Appendix C(a) – Bids and Savings – Revenue bids

Category	Reference	Bid / Saving	Description	Bid / (Saving)				
				2018/19	2019/20	2020/21	2021/22	2022/23
Unavoidable Revenue Pressure	HES2	Footway lighting contract (maintenance, inspection and testing, and replacement) potential uplift	Current maintenance arrangements end in November 2018. A new contract is to be procured, market indications are that the annual cost per light could increase by c.50% over the current (2010) cost.	10,000	20,000	20,000	20,000	20,000
Unavoidable Revenue Pressure	HES4	Waterbeach facilities maintenance costs	Charges for maintenance and service as per the lease agreement for the site, now to be passed on to the Waste service. The charges relate to use of fueling station and vehicle washoff area, both of which are required to fulfill the service operation.	9,600	9,600	9,600	9,600	9,600
Unavoidable Revenue Pressure	HES6	Additional staff requirements for Shared Waste Service to support household growth	The service is currently experiencing an annual property growth in the region of 2,700 properties per year. The collection service has been modelled and have determined that an additional three collection staff are required to support collection across the three collection streams.	80,000	83,000	86,000	89,000	89,000
Unavoidable Revenue Pressure	ICTR2	Adjusted revenue budget due to resubmitted 3cICT business case	Re-modelled business case to be agreed via 3C governance process during October and November 2017.	173,000	148,000	133,000	109,000	109,000
Unavoidable Revenue Pressure	FS3	Credit Card surcharges	From January 2018, the council will not be able to levy surcharges on credit card payments. The current annual spend is approximately £15k pa.	15,000	15,000	15,000	15,000	15,000
Unavoidable Revenue Pressure	FS5	Grant reduction- Universal Credit implementation transfer of payment of housing costs to DWP	The introduction of UC may reduce the grant the Council receives from Department of Work and Pensions towards the cost of administer Housing Benefit .	50,000	89,000	0	0	0
Unavoidable Revenue Pressure	FS7	Apprenticeship Levy	Apprenticeship Levy - Statutory charge based on 0.5% of Total Payroll less £15,000	88,300	90,700	94,000	97,000	97,000
Unavoidable Revenue Pressure	PLAN1	Costs awarded against the Council	Increase of budget due to the amount of outstanding 5 year land supply appeals, that have potential for costs appeals being submitted.	200,000				
Unavoidable Revenue Pressure	PLAN2	Appeals	Increase of budget due to the amount of outstanding 5 yr land supply appeals, that have yet been through the appeal process. We have a known appeal that will be submitted and we estimate that it will cost in the region of £150,000 to defend the appeal.	150,000				
Unavoidable Revenue Pressure	CCS1	Funding whole council elections in 2018	There is no significant election budget for 2017/18 as this was a County Council election year. A budget of £226K will be required for elections in May 2018, <u>but this is offset by there being no scheduled district council elections until 2022.</u>	226,000	56,500	56,500	56,500	56,500
Unavoidable Revenue Pressure	HGF4	Homeless Reduction Act implementation - ongoing staffing costs to deliver new legislative requirements	The Homeless Reduction Act will come into force in April 2018 and represents a significant change in homelessness legislation. to ensure statutory compliance, it is estimated that the staffing capacity will need to increase by 60%.	109,931	109,931	0	0	0
Bid	CCS7	Renewable energy investment proposal 1	Grant scheme for Parishes - assumes matches the amount in Community Chest grant fund.	55,000				

## GF BSR Appendix C(a) – Bids and Savings – Revenue bids

Bid	CCS8	Renewable energy investment proposal 2	Loan energy firm - assumes 10 Parishes awarded £10,000 loans.	100,000				
Bid	CCS9	Renewable energy investment proposal 3	SCDC street lighting improvements - installing LED bulbs in 1255 columns - this is a provisional bid pending Council review of the proposals	400,000				
Shared Surplus	HES8(a)	Increased surplus - Shared Waste Commercial Service	50% of the above bid for additional commercial profit shared with Cambridge City Council.	17,500	17,500	17,500	17,500	17,500
Bid	HGF5	Creation of new role of Housing Delivery & Innovations Manager	To be responsible for exploring investment opportunities for the Council and pursuing land deals, joint ventures and commercial projects that could deliver additional homes and income to the District. This role could become self sustaining by year 3 by setting a circa 2% fee income of any capital projects. Discussions are beginning with the Greater Cambridgeshire Partnership to see if they will seed fund the post for year 1 and year 2.	58,300	58,300	58,300	58,300	58,300
Bid	HGF6	Creation of a Self Build Development Officer and p/t Self Build Project Support Officer	South Cambs DC is a self build Vanguard Authority. The posts will form a small self build team under a regional manager and the Head of Development (new build).	60,800	60,800	60,800	60,800	60,800
Bid	HGF7	Re-defining role of Head of Development (New Build) to reflect changes in delivery methods	There is a need to review the role of the Head of Development (New Build). On July 12th an EMT report approved interim position. HoD(NB) role focus on 3 key priorities : Self Build programme / Modular construction / Manging the new build budget,act as client/ programme manager for new build delivered by HDA for SCDC.	16,400	16,400	16,400	16,400	16,400
Bid	HWB2	Delivery of political priorities - 3 Year Fixed Term Post	Additional priorities include Renewables Fund Grant (CCS7), timebanking, social isolation toolkit, faith audit, mental health in schools feasibility study, monitoring delivery of agreed recommendations from Orchard Park scrutiny report, revamp of youth engagement, delivery of community forums in growth areas.	29,900	31,100	32,300	0	0
Bid	HWB3	Implementation of time banking project	This funding will be used to contract an external organisation to provide this support. Future funding would be dependant on the outcomes of the evaluation and ongoing political support for the project.	20,000				
Reduced Income	PLAN5	Planning fees	There is a risk of reduced planning fee income due to the 5 year land supply applications falling away as the council gets closer to be able to demonstrate a 5 year land supply of housing.	850,000	700,000	700,000	700,000	700,000
Bid	PLANSH2	Planning Shared Service - Project management costs	Project assistant - part time. The new shared planning service requires significant project management input and support to mitigate the risks and issues of changes.	21,000				
Bid	PLANSH3	Planning Shared Service - Project management costs	Backfill for two secondees for 25 weeks (Based on Grade 7 pay band including on cost). The Business Case proposed the use of secondees from within the current services to provide input. Given the pressures that exist on the existing service it is proposed to backfill existing roles for the duration of this Phase.	30,000				
Bid	PLANSH4	Planning Shared Service - Project management costs	Additional Senior Manager to support Director as per business case (based on grade 9 with on-costs for the year). During the preparation of the Business Case there was an emerging concern that with the scale of change envisaged with a high profile service already under pressure there was a need for additional temporary support for the Director.	90,000				

## GF BSR Appendix C(a) – Bids and Savings – Revenue bids

Bid	PLANSH5	Planning Shared Service - Protection of Benefits	Continue to pay Professional Fees (based on 76 planners at £290 per person) as a retention/recruitment issue To be paid in January 2019 (Tentative)	12,805				
Bid	PLANSH6	Planning Shared Service - Retention costs	Cost of seeking to retain staff who may seek to leave. E.g. market supplement (Tentative)	100,000				
External Bid	ICTR1	Desktop transformation	As per business case submitted by the Head of 3c ICT. Covers Microsoft Licensing cost increase and higher cost due to the change in the value of the pound against the US dollar.	66,000	66,000	66,000	66,000	66,000
Bid	CCS10b	Digital resourcing package	Commissioning of 3C ICT to provide digital development services to SCDC. Previously an external contract	75,000	55,000	55,000	55,000	55,000
Total funding	All	Funding	Funding allocated against individual bids, consisting of use of earmarked reserves, existing budgets, grant funding and funding from shared services partners, as applicable	(2,312,276)	(831,971)	(724,340)	(693,540)	(693,540)
<b>Total Net Bids / (Savings)</b>				<b>802,260</b>	<b>794,860</b>	<b>696,060</b>	<b>676,560</b>	<b>676,560</b>



## GF BSR Appendix C(b) – Bids and Savings – Capital bids

Category	Reference	Bid / Saving	Description	Bid / (Saving)				
				2018/19	2019/20	2020/21	2021/22	2022/23
Bid	HES14	Street lighting	A pilot scheme is under development to upgrade the 18 SCDC street lights in Ickleton with LED lights. This will inform the potential upgrade of the entire SCDC network and is a PFH priority.	7,000	0	0	0	0
Bid	HES16	Procure, purchase and implement a Waste Management IT system solution.	Procured as a joint initiative with HDC and Cambridge City. £354k indicative costs would represent the charge to the Shared Waste Service which will be joint funded with Cambridge City Council.	354,000	0	0	0	0
Bid	HES17	Noise monitoring equipment	To replace existing equipment now in excess of 10-12 years of age and regularly proving faulty with impacts on officer time and service delivery within a statutory function.	16,000	16,000	0	0	0
Bid	FS10	Enclose fire escape staircases to South Cambs Hall	To prevent access to the stairs from unauthorised personnel.	50,000	0	0	0	0
Bid	FS11	Supply of storage at South Cambs Hall	The storage facility needs to be within the curtilage of the building and large enough to provide a central storage facility, allowing the council to keep South Cambs Hall a safe and pleasant environment for all building users.	30,000	0	0	0	0
Bid	FS12	Adaptation costs of accommodation for flexible working	A review of office accommodation is scheduled from March 2018 – August 2018. This is a proposal to reconfigure part of the office space at first floor level to provide accommodation suitable for more flexible working. This would enable a move to a 70% occupancy rate in accordance with the approved policy of the Council, with the potential to free up space for use by others.	28,000	0	0	0	0
Bid	FS13	Enhancement of ground floor facilities and catering provision	Enhance the ground floor facilities - meeting and interview rooms. Change the vending service to a concession service and upgrade the current catering outlet.	233,000	0	0	0	0
Bid	PLANSH7	ICT new planning system for Shared Planning Service	A new joint ICT service is required as the existing solution of each Council is not fit for future purposes. The proposal results from an evaluation of the two existing systems by an independent consultant.	80,000	0	0	0	0
Bid	ICTC1	Council Anywhere ICT project	Investment in a Desktop Transformation Programme to provide a platform fitting the ICT strategy, to support the work of the council and provision of its services, improving efficiency and support. £89k p.a. from 2021-22 is to begin contributions to a 4-year rolling hardware replacement reserve.	360,000	0	0	89,000	89,000
Bid	ICTC2	Procure, Purchase and Implement a H&ES ICT system.	To fully meet the requirements of 3c's H&ES Services, is fit for purpose and offers additionality to 3c's and partner services. Current M3 System becomes "end of life" in 2018-19.	150,000	0	0	0	0
Bid	ICTC5	Customer portal to website	To give one central point for residents and businesses to log, track and review all their electronic requests for services.	51,000	0	0	0	0
Funding		Total funding	Total funding from existing approved funding, earmarked reserves and contributions from shared services	(678,000)	(405,000)	(20,000)	(20,000)	0
<b>Total All Net Capital Position Bids / (Savings)</b>				<b>681,000</b>	<b>(389,000)</b>	<b>(20,000)</b>	<b>69,000</b>	<b>89,000</b>
			MRP	0	176,000	177,600	177,600	182,850

## GF BSR Appendix D – Earmarked and specific funds

Fund	Balance at 1 April 2017	Potential spend 17-18	Forecast Balance on 31 March 2018	Recommended withdrawal to fund 2018-19 bids	Forecast Balance on 31 March 2019
	£000	£000	£000	£000	£000
<b>Revenue reserves</b>					
New Homes Bonus Infrastructure Reserve	(7,637)	517	(7,120)	58	(7,061)
Business Rates Growth and Renewables Reserve	(5,744)		(5,744)	1,230	(4,514)
Pension Deficit Reserve	(702)	346	(356)		(356)
Planning Enforcement Reserve	(500)		(500)		(500)
Business Efficiency Reserve	(340)	100	(240)		(240)
Sustainability - climate change reserve	(117)		(117)	40	(77)
Business accommodation reserves	(98)		(98)	98	(0)
Private Stock Condition Survey	(75)		(75)		(75)
Children & Young People	(75)		(75)		(75)
Land Charges- appropriations	(19)		(19)		(19)
<b>Subtotal</b>	<b>(15,373)</b>	<b>963</b>	<b>(14,410)</b>	<b>1,496</b>	<b>(12,984)</b>
<b>Planning reserves (revenue)</b>					
Major Developments and Parish Liaison Fees Reserve	(472)	150	(322)	322	(0)
Northstowe Reserve	(128)		(128)	128	(0)
Planning Fee Reserve excl Northstowe - growth agenda	(179)		(179)	179	(0)
Service Contingency- Planning	(100)		(100)	100	(0)
Planning other	(95)		(95)	95	0
<b>Subtotal</b>	<b>(974)</b>	<b>150</b>	<b>(824)</b>	<b>708</b>	<b>(0)</b>
Other	(326)		(326)		(326)
<b>Total General Fund Revenue Earmarked reserves</b>	<b>(16,673)</b>	<b>1,113</b>	<b>(15,560)</b>	<b>2,250</b>	<b>(13,310)</b>
<b>Capital reserves</b>					
Refuse Collection sink fund	(407)		(407)		(407)
Supervisors' vehicles sink fund	(46)		(46)		(46)
Street Cleansing sink fund	(229)		(229)		(229)
Air Quality Monitoring	(119)		(119)		(119)
Footway Lighting	(87)		(87)		(87)

Cambourne Office	(83)		(83)	83	0
Heritage Initiatives and historic buildings	(40)		(40)	40	0
Community Development - Capital	(35)	35	0		0
Other	(39)		(39)		(39)
<b>Total General Fund Capital Earmarked reserves</b>	<b>(1,084)</b>	<b>35</b>	<b>(1,049)</b>	<b>123</b>	<b>(926)</b>
<b>Total General Fund Earmarked reserves</b>	<b>(17,757)</b>	<b>1,148</b>	<b>(16,609)</b>	<b>2,373</b>	<b>(14,236)</b>
Shared Waste Service	(45)		(45)		(45)
<b>Breakdown of "Other" in GF Revenue</b>					
Swavesey Byeways Fund	(6)		(6)		(6)
South Cambs Crime & Disorder Partnership	(33)		(33)		(33)
2012/13	(3)		(3)		(3)
Land Charges- new burdens grant	(9)		(9)		(9)
Economic Development Portfolio Reserve	(13)		(13)		(13)
Community Chest Grants	(1)		(1)		(1)
Taxi Licencing Reserve	(67)		(67)		(67)
RCV's Sinking Fund	(41)		(41)		(41)
Street Cleansing Vehicles Sinking Fund	(24)		(24)		(24)
Air Quality Monitoring	(29)		(29)		(29)
Air Quality Monitoring	(6)		(6)		(6)
Health & Environmental Services	(24)		(24)		(24)
Travellers Site Reserve	(50)		(50)		(50)
Waterbeach Depot	(5)		(5)		(5)
Webb's Hole Sluice	(3)		(3)		(3)
Contributions-Cambridge Sports Lake Trust	(6)		(6)		(6)
Insurance All Risks	(6)		(6)		(6)
<b>Total General Fund Revenue Earmarked reserves "Other"</b>	<b>(326)</b>		<b>(326)</b>		<b>(326)</b>