CABINET	AGENDA ITEM No. 5
23 FEBRUARY 2021	PUBLIC REPORT

Report of:	Corporate Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Finance	
Contact Officer(s):	Peter Carpenter, Corporate Director of Resources Kirsty Nutton, Head of Corporate Finance	Tel. 452520 Tel. 384590

MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2023/24 - PHASE TWO

R E C O M M E N D A T I O N S

FROM: Cabinet Member for Finance	**Deadline date: 12 February 2021**

It is recommended that Cabinet recommends to Council for approval:

1. The Phase Two service proposals as outlined in Appendix B
2. The updated budget assumptions, to be incorporated within the Medium-Term Financial Strategy 2020/21 – 2022/23. These are outlined in sections 5.
3. The revised capital programme outlined in section 5 and referencing Appendix G.
4. The Medium-Term Financial Strategy 2021/22 to 2023/24 - Phase Two, as set out in the body of the report and the following appendices:

- Appendix A – 2021/22-2023/24 MTFS Detailed Budget Position Phase Two
- Appendix B – Budget Proposal Detail
- Appendix C – Phase One and Phase Two Budget Proposal Summary
- Appendix D – Grant Register
- Appendix E – Council Tax Information
- Appendix F – Fees and Charges
- Appendix G – Capital Programme Schemes 2021/22-2023/24
- Appendix H – Financial Risk Register
- Appendix I – Carbon Impact Assessments
- Appendix J – Treasury Management Strategy
- Appendix K – Capital Strategy
- Appendix L – Asset Management Plan

It is recommended that Cabinet notes:

5. All the grant figures following the Local Government Final Finance Settlement, published on 10 February 2021 outlined in sections 5 and 9.
6. The strategic financial approach taken by Council outlined in section 4 of the report.
7. The statutory advice of the Chief Finance Officer outlined in section 6 - The Robustness Statement (Section 25). This is required to highlight the robustness of budget estimates and the adequacy of reserve balances.

1.0 ORIGIN OF REPORT

1.1 This report comes to Cabinet as part of the Council's formal budget setting process as set out within the constitution and as per legislative requirements to set a balanced and sustainable budget for 2021/22-2023/24.

2.0 PURPOSE AND REASON FOR REPORT

2.1 Purpose

The report to Cabinet forms part of the Council's formal Budget and Policy Framework. This requires Cabinet to initiate and make proposals and update assumptions to set a balanced budget for the financial years 2021/22 -2023/24. There is a legal requirement to set a balanced budget for 2021/22. The purpose of this report is to:

1. Recommend that Cabinet approve the Phase Two budget proposals
2. Recommend that Cabinet approve the budget assumptions to update the Medium-Term Financial Strategy (MTFS), to ensure estimates reflect the most up to date information available
3. Outline the financial impact of C-19 and other financial challenges facing the Council, in setting a balanced budget for the MTFS 2021/22-2023/24
4. Outline the strategic approach and actions taken by the Council to deliver a balanced budget in 2021/22

Proposals agreed by Cabinet at this meeting on 23 February 2021, will be recommended to Council on 03 March 2021 for approval.

This report is submitted for Cabinet to consider under its Terms of Reference No. 3.2.1, "To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to delivery excellent services."

2.2 Executive Summary

At Council held on 9 December 2020, MTFS 2021/22-2023/24 Phase One was approved, outlining a revised budget gap of £35.7m in 2021/22, rising to £38.6m at the end of 2023/24. This required the Council to make further savings in order to set a legally balanced budget in 2021/22 and future years.

The Council has been operating in challenging financial circumstances for several years and unless immediate action was taken to reduce the costs of its operations markedly in the medium term, expenditure was estimated to exceed income with extremely limited recourse to reserves.

The Council's financial challenge has developed over the years due to underfunding, exposure to greater levels of risk and low financial resilience, resulting from its low reserves balances. Despite all of this the Council has continued to perform well, providing vital services to its 202,000 residents, whilst at the same time managing demand and keeping expenditure low. It is because of this that the C-19 pandemic has had such a pervasive impact on the Council's finances.

Since the 2018 the Council has subjected its financial strategy and approach to financial sustainability to rigorous external financial challenges and since the summer of 2019 have implemented an enhanced series of expenditure controls.

The Council undertook an intensive six-week period of investigative and service review work in the early months of 2020, more than a year in advance of when the budget requires approval to close the 2021/22 £14.2m deficit. At the commencement of lockdown £11.9m of savings opportunities had been identified with full validation process and more detailed business case development to be undertaken. As a direct result of responding the C-19 pandemic these opportunities were impaired to £3.6m.

As a direct result of the C-19 pandemic response and recovery in 2020/21 the Council is reporting an additional £42.3m of pressure. These pressures are largely being covered by government funding, but it is expected there will be long term impacts for which future longer-term funding is unknown. As a result of forecasting the longer-term impact of C-19 the Council has factored in pressures such as the rising costs of Adult Social Care, Local Tax loss and the non-delivery of current MTFS saving plans. As the C-19 pandemic has progressed, and after conducting a further review, an additional £1.8m of pressure has been included in Phase Two of the MTFS.

The Council has continued to review its budget assumptions and identify saving opportunities, which has enabled it to reduce the budget gap by £11.1m. This included a thorough review of the Council Tax and NNDR income base assumptions, a review of the cost of borrowing and debt redemption using capital receipts. The Local Government Final Settlement has confirmed a further £12.7m of funding in 2021/22, of which £8.9m is one-off. This has provided the Council with some short-term security to meet the pressures from C-19 and the rising costs of Adult Social Care. After applying these adjustments to the budget, the Council's budget gap in 2021/22 has been reduced to £13.7m. The Local Government Finance Settlement is for one year. It is expected, as set out in section 9.3, that the fairer funding review will take place in 2022/23.

In October 2020 the Council approached Ministry of Housing Communities and Local Government (MHCLG) to enable the further exploration of alternatives to issuing a S114 notice. The Council has been engaged in regular discussions with MHCLG in respect of the Council's finances and has now received approval for a Capitalisation direction of up to £4.8m in 2020/21 and approval in principle a Capitalisation Direction of up to £20.0m in 2021/21. This exceptional support has enabled the Council to propose a balanced budget for 2021/22. The Council will continue to work closely with MHCLG over the coming months to develop a delivery model to secure financial sustainability and provide assurance to satisfy the conditions attached to the exceptional support to secure final approval by the Secretary of State.

In summary, to set a legal balanced budget the Council is reliant on the receipt of exceptional support from Government. A confirmation has been received that this exceptional support is to be conditionally provided in the form of a Capitalisation Direction which will enable the Council to borrow monies to fund revenue expenditure. Approval of this strategy is recommended due to the underlying structural deficit now inherent in the Council's funding envelope that in turn means alternative options to fund the budget gap to the value presented are absent. **The Council has no recourse to alternative options. Without receipt of the exceptional support, the Council is not able to set a legal budget which is the requirement of Full Council.**

The proposed changes in 2021/22, from Phase One MTFS to Phase Two MTFS, are summarised in Chart 1 below, with further detail shown in Table 1 and 7 to this report.

Chart 1: Budget Summary Position 2021/22

Existing budget gap from phase one £35.7m + pressures £1.8m - additional funding & revised estimates £23.8m and £13.7m Exceptional Support (assumed Capitalisation Direction) = balanced budget

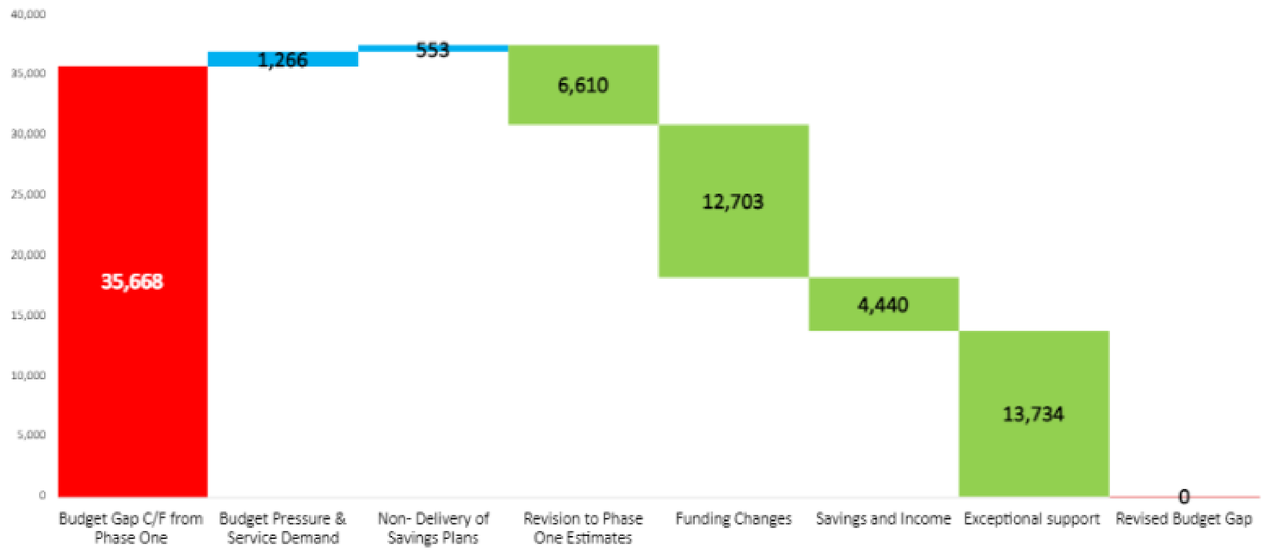


Table 1 summarises the overall budget position for both Phases One and Two, starting with the opening budget gap of £14.2m, identified within the 2020/21 MTFS. Although the Council has been able to propose a balanced budget in 2021/22, with support from MHCLG, the scale of the financial challenge in future years remains significant with budget gaps of £26.8m in 2022/23 and £28.9m in 2023/24. The Council will continue to work closely with MHCLG to secure financial sustainability for the future to ensure that the provision of vital services continues.

Table 1: Budget Position Summary - 2021/22-2023/24 (Phases One & Two combined)

Budget Position Summary - 2021/22-2023/24	**2021/22**	**2022/23**	**2023/24**
	£000	**£000**	**£000**
Budget Gap from 2020/21 MTFS	**14,245**	**14,808**	**14,609**
Budget Pressure & Service Demand	13,595	16,042	18,562
Non- Delivery of Savings Plans	5,731	5,731	5,731
Collection Fund Losses: Council Tax & NNDR	938	1,247	1,247
Revised Budget Gap	**34,509**	**37,828**	**40,149**
Funding Changes	(13,676)	(5,050)	(6,433)
Savings and Income	(7,099)	(5,985)	(4,806)
Exceptional support from MHCLG (assumed Capitalisation Direction)	(13,734)	0	0
Budget Gap	**0**	**26,793**	**28,910**

The Council's financial position is covered in more detail in section 5.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	**YES**	If yes, date for Cabinet meeting	**23 FEBRUARY 2021**
Date for relevant Council meeting	**03 MARCH 2021**	Date for submission to Government Dept.	**N/A**

The budget setting process and timetable (Item 9a, Cabinet Report, Appendix A) was agreed at the full council meeting held on 29 July 2020. This process is to aid the delivery of a three-year Revenue Budget and Capital Programme for the Council.

Table 2 sets out the revised budget timetable. There will be no public consultation for phase two of the MTFS, due to the nature of the proposals included.

Table 2: Budget Timetable

Meeting	Date
Joint Scrutiny	22/02/2021
Cabinet	23/02/2021
Council	03/03/2021

4.0 STRATEGIC FINANCIAL APPROACH

The Council has been operating within a challenging financial environment following years of austerity measures, low funding, and rising demand for Council services. Over the last two years, the Council has been working with external bodies including the Local Government Association, its auditors, the Ministry of Housing Communities and Local Government (MHCLG) and external financial specialists to develop and deliver a sustainable financial strategy.

4.1 Financial Operating Context

To date the Council has been successfully set a balanced budget, by being proactive in applying a range of financial measures available, including:

- continued development of initiative solutions to service delivery leading to savings and budget cuts
- proactively managing additional demand and increase pressures in the cost of service brought about from contract inflation and national pay awards
- thoroughly reviewing the Council Tax base, the Business Rates base and provisions, and contracting an external review of the Local Council Tax Support Scheme
- being an active key member championing the setting up of the business rates pool with other Cambridgeshire local authorities to reduce the levy for participating members
- actively managing its asset base to secure efficiencies within its built environment and realise capital receipts
- a detailed and comprehensive review of its minimum revenue provision (MRP).

However, despite the above actions and alongside a national rise in demand for services and the financial pressure on Local Government, the Council continually experienced a set of additional financial challenges which created over time a structural deficit.

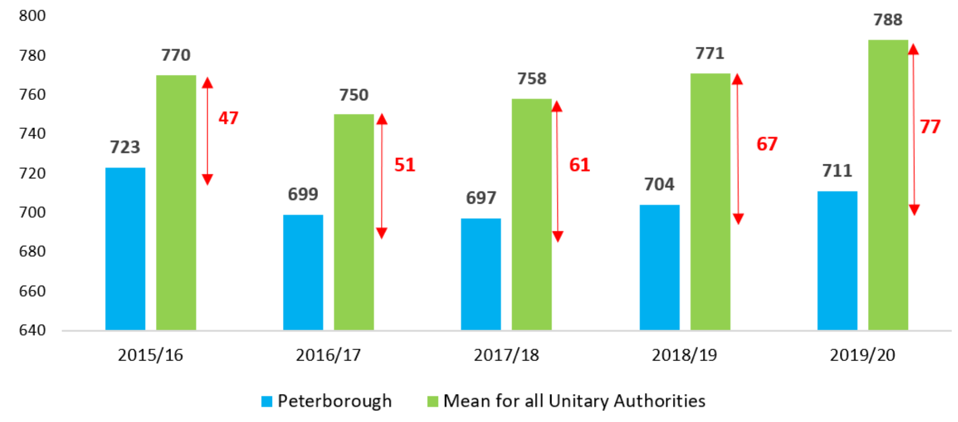
Structural Deficit =

- **Low Council Tax Base,** restricting the Councils ability to raise income from local taxes.
- **Fast growing population teamed with an increase in demand for services** and the complexity of care and support required (this is outlined in more detail in the MTFS Phase One Report)
- Already providing **services at a low unit cost,** demonstrating that the Council already delivers efficiency and value for money services, as outlined further in this section.
- **Low government funding** in comparison to service need and the population of Peterborough. The Council's funding position is outlined in within this section and further in section 5.3.
- **Low resilience, with low levels of usable reserves** forecast by the end of the financial year, as outlined in section 6 the robustness statement.

Low Expenditure	Low Resources	Low Resilience

Core Spending Power (CSP) per head of population is shown in Chart 2. CSP is a measure of total council revenue funding from all sources, with the exception of ringfenced grants and often contains assumptions on funding Councils may or may not approve. In 2019/20 the Council had a CSP of £144m, £34m less than the average unitary authority.

Chart 2: Core spend power per head of population – 2019/20



The Council's CSP per head, £711, compares to the average across other unitary authorities £788, a notably greater ratio. The chart illustrates how that difference has increased over the five-year period, from £47 rising to £77 per head by 2019/20.

As the funding gap has widened, service demand pressures have increased, and one-off funding opportunities have declined, the challenge facing the Council in future years is now much greater to resolve through new saving and efficiency proposals alone. The future years budget gaps are estimated to be £26.7m in 2022/23 rising to £28.9m in 2023/24. These gaps represent the Council's revised **structural deficit.**

4.2 **Structural Deficit**

Over the years a structural deficit has developed as the difference between the resource envelope (funding) and the cost of providing services has increased. In the absence of additional funding and restricted ability to raise local taxes the Council has applied other funding solutions. Table 3 shows the use of reserves and non-repeatable savings to balance the budget. This was the financial strategy adopted in order for the Council to take a strategic and measured approach to transformational change which led to service efficiencies and resultant savings. This strategy helped to minimise the impact on services and customers over time, whilst creating time to deliver a sustainable financial future.

Table 3: One Off Strategic Funding Solutions

	<<Previous Years>>			Current Year	<<Future MTFS years >>		
One Off Strategic Funding Solutions	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Re-deeming Debt with Capital Receipts	12,738	2,922	10,639	3,930	2,433	2,603	233
Planned use of Reserves	7,194	4,231	3,084	1,510			
Council Tax Collection Fund Surplus	173	1,188	201	662			
MRP Re-provision		3,700					
Business Rates Pool & Provision Release				3,231			
Capitalisation direction				1,217	13,734		
One Off Funding					8,944		
Total	**20,105**	**12,041**	**13,924**	**10,550**	**25,111**	**2,603**	**233**
In year use of Capitalisation Direction*			5,564	3,623			
In year use of Reserves		2,119					
In year increased use of Capital Receipts		3,298	235				
Total	**20,105**	**17,458**	**19,723**	**14,173**	**25,111**	**2,603**	**233**

4.3 **Proactive Management, Expenditure Controls, External Expert Review and Verification**

For many years the Council has taken decisive action to manage its finances. Set out below are examples of how the Council's approach has developed and strengthened to meet its current financial challenges:

- ✓ It has transformed its Children's and Adult Social Care Services, by the using prevention and early intervention strategies e.g. Family Safeguarding and Adult Positive Challenge Programme. These programmes have seen a continuation of lower levels of expenditure and good outcomes in comparison to the Council's statistical neighbours.
- ✓ It has worked with health and care partners to reduce costs, increase efficiencies and increased purchasing power through joint commissioning and delivery opportunities.
- ✓ It has transformed its Housing Needs service to reduce homelessness within the City.
- ✓ It has generated over £77.5m of external income (non-Government grant or tax), equating to almost 20% of the Council's gross income.
- ✓ It has actively managed several key contracts and worked closely with partners to deliver Council services.
- ✓ It has worked to maximise the use of its assets.
- ✓ It has regularly reviewed its capital programme and associated project management of scheme delivery.
- ✓ It has applied technology and ICT solutions to streamline the Council's processes and increase automation.
- ✓ It has reviewed its workforce and successfully implemented agile working across its organisation.
- ✓ Used external benchmarking to shine a light on areas of high spend and take action where that level of spend needed to be addressed.

By the 2019/20 financial year it was increasingly clear that the development and delivery of savings plans was consistently outstripped by the funding deficit and that a new operating model for the Council was required in order for it to become financially sustainable.

The summer of 2019 saw the Council implement a series of financial management controls designed to reduce the forecast in year overspend and ensure that only essential expenditure was being incurred. Enhanced scrutiny controls of all expenditure were introduced and due to their importance and success continue to be operation. These controls include:

- A panel to review all recruitment and agency requests meeting on a weekly basis, chaired by the Chief Executive
- Business case requirement for all expenditure in excess of £10k - Service based Heads of Finance providing additional scrutiny and challenge to these with regular review from the Chief Finance Officer
- Enhanced controls for general expenditure, with all expenditure over £1k requiring Chief Finance Officer approval
- Implementation of the review of the effectiveness and operation of financial and human resource controls across the organisation
- Departmental Management Teams, together with the CMT, review the budget position monthly and take appropriate action, including plans to address budget issues, all reported in monthly Budgetary Control Reports taken to Cabinet and in turn Council
- Enhanced budget governance, with dedicated Boards overseeing the delivery of the budget setting process, and monitoring of savings delivery

Since the winter of 2018 the Council has also subjected its financial strategy and approach to financial sustainability to external rigorous challenge from the following sources:

- Local Government Association (LGA) peer review and challenge
- Grant Thornton
- Specialist housing advice
- Specialist HR advice
- Specialist strategic financial advice (as recommended by the LGA)
- MHCLG appointed local government finance specialist

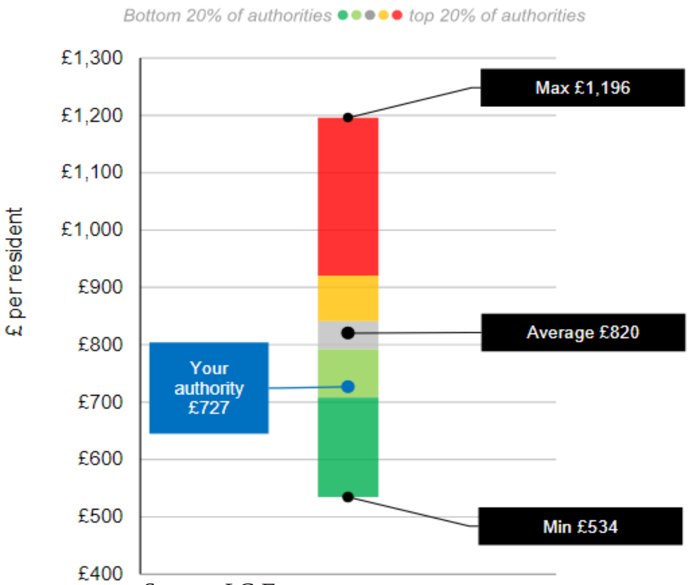
In December 2018 the LGA provided two experienced peers to review the Council's finances and associated service delivery. The result of that work was reported to Joint Meeting of Scrutiny Committees and actions were incorporated in the Council's Financial Improvement Programme.

The Council's Financial Improvement Programme (FIP) in 2019 was supported by Grant Thornton. This programme saw Grant Thornton use their lengthy experience of working in Local Government and deployment of sector market experts to support the identification of savings opportunities, to develop robust savings initiatives (£33.5m), review these initiatives and ensure subsequent successful implementation of projects.

The Council has employed a housing specialist to assist its work on homelessness, as well as a finance specialist to assist the s151 officer in the management of strategic finance for the Council and the oversight of the in-year forecast overspend reduction plan.

The Council has been active in pursuing Value for Money and low costs by implementing savings plans and ensuring unit costs remain low. The Council maintains a strong awareness of this in comparison to other Local Authorities, and in the most recent benchmarking report it was demonstrated that the Council's unit costs, in comparison to other authorities across England, were **11.4% lower than average**, and ranked 92nd highest out of 123 comparable authorities. This chart outlines the Council's position, along with the comparative analysis contained in section 10.3, demonstrate that in almost every service the Council has some of the lowest costs in the sector.

Chart 3: Relative unit cost (England comparison) 2019/20



Source: LG Futures

In recognition of the size of the challenge to balance a budget for 2021/22 the Council undertook an intensive six-week period of investigative and service review work in the early months of 2020, more than a year in advance of when the budget requires approval. The intention was to use this work to inform the development of a new operating model and was facilitated by experts from Grant Thornton and Local Government Association. As part of this work in March 2020 the Council received approval for a Capitalisation Direction from MHCLG. At the commencement of lockdown £11.9m of savings opportunities had been identified with full validation process and more detailed business case development to be undertaken.

4.4 **New Operating Environment – Impact of the Coronavirus Pandemic on Council Finances**

On 23 March 2020 the Prime Minister announced the first national UK lockdown in order to halt the growth of the Coronavirus, to protect the NHS and ultimately save lives. Since this time the Council has experienced both societal and financial impacts of the pandemic. The pandemic immediately meant the detailed work on the £11.9m of identified saving opportunities had to be paused as resources were redeployed to deliver the national and local response. This redeployment saw the impairment of existing MTFS savings plans by £5.6m.

The chart summarises the impact of the pandemic on the current year financial position. It shows an increase in pressures of £42.3m, offset through receipt of £36.9m additional government funding to support the additional costs of the pandemic, resulting in an estimated funding gap of £5.4m in 2020/21 (as at January 2021).

Chart 4: 2020/21 C-19 Financial Position

Additional pressures £ 42.3 m less additional funding £ 36.9 m resulting in C-19 funding gap of £ 5.4m

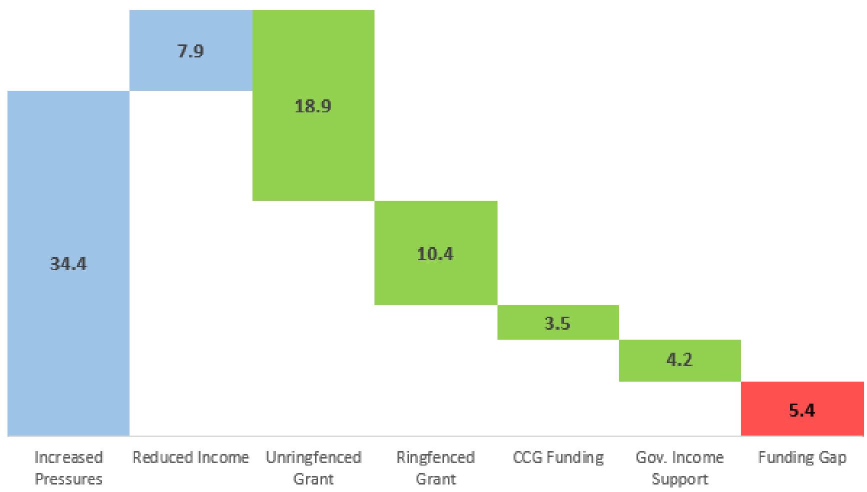


Table 4 outlines the monthly C-19 financial monitoring returns the Council has submitted to MHCLG. This illustrates the increase in pressures being faced which have been off-set partially by an increase in government funding.

Table 4: Monthly C-19 Financial Monitoring Position

Source of Pressure & Income	Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m
Direct C-19 Expenditure	7.0	10.1	19.3	23.4	22.6	26.2	25.2	26.6	29.2
Loss of Income	6.8	6.0	6.8	7.9	6.7	7.2	7.4	7.2	7.5
Non-Delivered 2020/21 Savings	4.5	4.8	4.7	6.6	5.5	5.5	5.5	5.5	5.6
Total Pressures	**18.3**	**20.9**	**30.8**	**37.9**	**34.8**	**38.9**	**38.1**	**39.3**	**42.3**
C-19 response fund & unringfenced grants	(11.0)	(11.0)	(11.0)	(13.2)	(13.1)	(13.2)	(18.8)	(18.8)	(18.9)
Additional funding & ring-fenced grants*	-	-	(5.7)	(9.9)	(9.9)	(14.7)	(14.9)	(17.4)	(18.0)
Revised Net Position	**7.3**	**9.9**	**14.1**	**14.8**	**11.8**	**11.0**	**4.4**	**3.1**	**5.4**

**includes estimated SFC Income Compensation Scheme*

The C-19 pandemic has brought new challenges to the Council's financial situation with examples of new pressures including:

- a forecast loss of £2.8m on parking revenue as a result of reduced footfall in the City centre
- an estimated Council Tax deficit of £1.2m as a result of people being unable to pay at this time, and an increase in households receiving council tax support
- an estimated Business Rates deficit of £2.7m as a result of businesses being unable to pay the rates at this time because of the impact on the business operations
- an additional £15.7m of costs as a result of providing Adult Social Care services differently during the pandemic
- an additional cost of £1.2m to provide accommodation for all rough sleepers, in order to isolate safely as directed within government national policy
- an inability to deliver £5.6m of existing MTFS savings plans that the Council expected to achieve this current financial year. This creates additional budget pressures in the current and future financial years.

The pandemic has introduced an additional layer of financial complexity to the Council's financial management, including the requirement to submit new government monthly returns on C-19 pressures and additional monitoring from new grant funded schemes. In order to ensure financial scrutiny is maintained and only essential expenditure is still undertaken, even in pandemic times, an enhanced layer of internal reporting has been implemented during 2020. This ensures all C-19 related financial implications are incurred as a result of implementing government policy, that all have the relevant financial governance approvals, and the C-19 related financial position is reported, reviewed and controlled regularly to CMT and Cabinet.

As part of the Phase One MTFS the Council was forecasting to use most of the useable reserves to fund the additional C-19 challenges forecast in the current financial year. The Council therefore, in accordance with the CIPFA modifications, contacted MHCLG in October 2020 to enable the further explorations of alternatives to issuing a s114 notice.

4.5 **Spending Review 2020 (SR20) & the Local Government Finance Settlement**

Since Phase One when the Council identified the budget gap of £35.7m, the Council has been able to reduce the budget gap to £13.7m. The SR20 and Local Government final finance settlement addressed part of the additional financial pressures experienced from the C-19 impact with further social care funding and an extension to the New Homes Bonus scheme. The announcement provided the Council with an additional £12.7m of funding in 2021/22, however over 70% of this funding is one-off in nature (£8.9m).

Factoring in the additional funding made available through SR20, and a revision to the estimates made in Phase One, a budget gap remains at £13.7m. The Council will be able to deliver a balanced budget through the exceptional support provisionally confirmed by MHCLG.

4.6 **Exceptional Support from MHCLG - Capitalisation Direction**

Further exploration by MHCLG of alternative options resulted in a review of the Council's financial position by a financial local government expert, commissioned by MHCLG. The review sought to make an assessment on the Council's:

- **Value For Money:** an assessment of affordability and a review of the Council's position including a review the existing resources the Council may be able to deploy to mitigate pressures.
- **Securing the longer-term financial sustainability of a council:** does the requested support and the authorities longer term plan seek to underpin the longer-term financial position of a Council.
- **Addressing the underlying drivers of risk or fragility:** does the requested support and the authorities longer term plan seek to address the underlying causes of pressures.
- **Eligibility:** is the authority able to demonstrate why the measures in the generalised sector wide package did not provide enough financial support.

An assessment was made as to the Council's ability to close the funding gap, via the use of reserves, de-commercialisation and sale of assets. The review found very limited scope for this and recommended it should be avoided as it would not leave the Council in a sustainable position. **The review concluded that the Council had a very strong case to be considered for 'exceptional support' from MHCLG.**

On 10 February MHCLG have announced within the Local Government Final Settlement that the Council had received approval from MHCLG for a Capitalisation Direction of up to £4.8m in 2020/21 and confirmation has been received that indicates they are minded to approve a capitalisation direction of up to £20m in 2021/22. The Capitalisation Direction enables the Council to borrow to fund revenue expenditure for that year. *(For the purposes of the MTFS the Council has assumed that the current £3.6m forecast overspend in 2020/21 will be met by the Capitalisation Direction.)*

These approvals are subject to conditions being met by the Council which include an external assurance review on the Council's financial position and development of a delivery model to achieve financial sustainability. The Council and MHCLG will work closely in order to provide the Minister with the assurance required over Spring 2021, with confirmation of the Capitalisation Direction expected in Summer 2021.

The Council has assumed within the MTFS that the £13.7m budget gap in 2021/22 will be met by the Capitalisation Direction. The MTFS includes the annual cost of borrowing £20.0m within the capital financing budget. This approach ensures the Council has covered the full cost of borrowing should the total level of capitalisation direction be drawn down during the development of a sustainable delivery model.

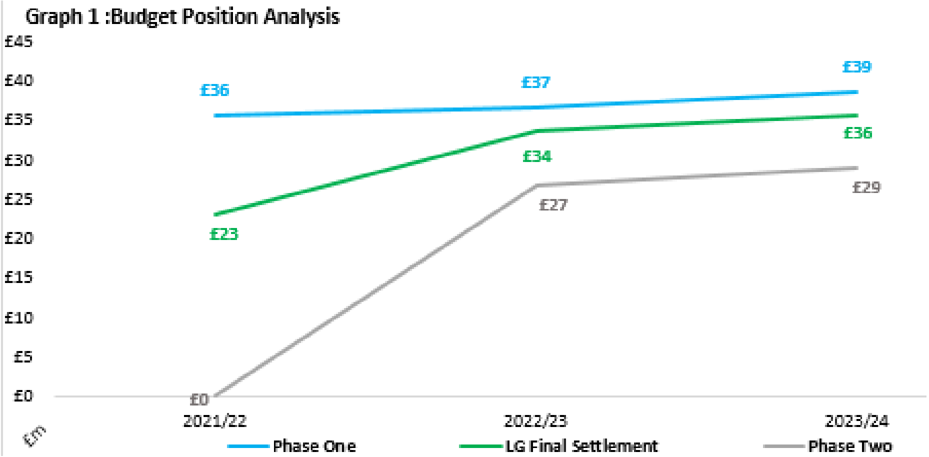
4.7 **Balanced 2021/22 Budget**

Although the Capitalisation Direction for 2021/22 has been approved in principle only, the approach to incorporate this within the budget and thus ensure a legal and balanced budget can be set, has been endorsed by CIPFA. The Capitalisation Direction protects the Council's low reserve balances and enables the Council to set a balance budget in both 2020/21 and 2021/22.

The approval acknowledges that the Council has taken the necessary steps to secure financially sustainability and the external financial verification has allowed MHCLG to place trust in the assessment of the Council's financial situation. The scale of the financial challenge remains significant and the Council will work closely with MHCLG to ensure future funding arrangements meet the requirements to continue to provide vital services within Peterborough and support the economic recovery in the wake of C-19.

Section 5 outlines the proposed balanced budget for 2021/22 and the budget gap in the following two financial years. It details the new budget pressures and service demands along with the impairment of saving plans, offset by savings, additional income and funding streams, the revisions of Phase One estimates and the application of the exceptional support. The budget assumptions factored into Phase One have been thoroughly reviewed and updated leading to a £6.6m favourable change in estimates with additional savings of £4.4m identified offset with £1.8m of increased pressures.

The one-off funding announced in the Settlement and the funding deficit now caused through the impact of the pandemic on service demand and income losses, results in a budget gap that increases to £26.8m in 2022/23 and £28.9m in 2023/24. Graph 3 illustrates the change in the budget position, highlighting the impact of the funding announcements and the challenge to financial sustainability still facing the Council in future years.



5.0 BUDGET DETAIL

5.1 Phase One MTFS Summary Position

Table 5 outlines the budget position, detailing the amounts the Council expects to receive from the key funding streams, the departmental budgets and the budget gap for each of the three years from Phase One of the 2021/22 MTFS.

Table 5: Phase One MTFS Summary Position

Phase One MTFS Summary Position By Directorate	2021/22 £000	2022/23 £000	2023/24 £000
NNDR	(45,859)	(46,109)	(46,359)
Revenue Support Grant	(10,413)	(10,413)	(10,413)
Council Tax	(84,166)	(87,944)	(91,924)
New Homes Bonus	(2,066)	(1,461)	-
Improved Better Care Fund	(7,260)	(7,260)	(7,260)
Social Care Grant	(4,680)	(4,680)	(4,680)
TOTAL CORPORATE FUNDING	**(154,444)**	**(157,867)**	**(160,637)**
PLANNED EXPENDITURE			
Chief Executives	1,255	1,283	1,311
Governance	4,413	4,465	4,517
Place & Economy	23,769	24,364	24,959
People & Communities	99,005	101,174	104,567
Public Health	(405)	(405)	(405)
Resources	12,213	11,975	12,429
Customer & Digital Services	7,051	7,239	7,428
Business Improvement	592	595	598
NET SERVICE EXPENDITURE	**147,894**	**150,690**	**155,405**
Corporate Expenditure	5,392	5,416	5,440
Capitalisation Directive	-	-	-
Capital Financing Costs	31,768	33,397	33,397
Contribution from/to Reserves	-	-	-

Non- Delivery of Savings Plans	**5,058**	**4,978**	**4,978**
TOTAL PLANNED EXPENDITURE	**190,111**	**194,481**	**199,220**
REVISED DEFICIT/(SURPLUS)	**35,668**	**36,614**	**38,584**

5.2 **Phase Two Budget Position 2021/22- 2023/24**

The proposed budget position is summarised in Table 6 and Table 7 sets out the proposals included within Phase Two of the MTFS 2021/22. The major items included within these proposals are:

- Revised estimates for the Collection Fund deficits and income base for both NNDR and Council Tax
- The inclusion of the grant funding identified in the Local Government Provisional Finance Settlement
- Revised capital financing costs including the redemption of debt with capital receipts
- Inclusion of exceptional support, in the form of a 'Capitalisation Direction'. This is where approval is granted from the government to use capital funding (borrowing) to fund revenue. The Council has asked for exceptional support, as a result of its challenging financial position, meaning the Council is unable to set a balanced budget in 2021/22 and future years. The government has notified the Council that they are minded to support the Council's application, with a capitalisation direction in 2020/21. Further detail is outlined in section 4.6.

Table 6: Phase Two Budget Summary Position 2021/22-2023/24

Phase Two MTFS Summary Position	**2021/22 £000**	**2022/23 £000**	**2023/24 £000**
Budget Gap from 2021/22 MTFS Phase One	35,668	36,614	38,584
Budget Pressure & Service Demand	1,266	2,256	2,257
Non- Delivery of Savings Plans	553	553	553
Revised Budget Gap	**37,487**	**39,423**	**41,394**
Revision to Phase One Estimates	(6,610)	(6,225)	(7,183)
Funding Changes	(12,703)	(3,079)	(3,154)
Savings and Income	(4,440)	(3,326)	(2,147)
Exceptional support from MHCLG (assumed Capitalisation Direction)	(13,734)	0	0
Budget Gap	**0**	**26,793**	**28,910**

Table 7 details all proposals included within this Phase Two, and the financial implications for the three years covering 2021/22-2023/24.

Table 7: 2021/22-2023/24 Phase Two budget proposals

2021/22-2023/24 Phase Two budget proposals	**2021/22 £000**	**2022/23 £000**	**2023/24 £000**
Revision to Phase One Estimates	**(6,610)**	**(6,225)**	**(7,183)**
Adult Social Care- market sustainability	(363)	637	637
Adult Social Care- Cost Drivers and Demography review	1,300	500	500
Children's- Family Safeguarding	(700)	-	-
Increase in Sundry Bad Debt Provision- due to the economic impact of the C-19 Pandemic	200	-	-
Business Rates (NNDR) Collection Fund Deficit- Spread over three years	(1,496)	(1,701)	(1,701)
Council Tax Collection Fund Deficit- Spread over three years	(890)	(376)	(376)
Business Rates (NNDR) Income Base	(3,482)	(3,702)	(4,728)
Council Tax Base Reduction	(1,071)	(1,120)	(1,113)

Increase in Bad Debt Provision as a result of reduced Business Rates (NNDR) Collection	271	(264)	(303)
Increase in Bad Debt Provision as a result of reduced Council Tax Collection	(500)	(400)	(300)
Business Support Services	146	146	146
Communications- Saving and income adjustment	(26)	54	54
Budget Pressure & Service Demand	**1,266**	**2,256**	**2,257**
Engagement Manager	62	62	62
External Audit Fees	100	100	100
Pay Increments	621	621	621
Specialist Technical Support for ERF Changes	25	15	15
Exceptional support from MHCLG (Capitalisation Direction - cost of borrowing)	150	1,150	1,151
Agenda for Change	308	308	308
Savings and Income	**(4,440)**	**(3,326)**	**(2,147)**
Blue badges	(13)	(13)	(13)
Registered Managers Network	(10)	(10)	(10)
Reduction in grade of Financial Investigator in Communities team	(4)	(4)	(4)
Reorganisation of City Centre Management	(50)	(50)	(50)
Reorganisation of Communities and Partnerships Management	(49)	(49)	(49)
Sustainable Growth restructure	(20)	(20)	(20)
Re-deeming Debt with Capital Receipts	(2,433)	(2,603)	(233)
Review of inflation and Fees and Charges	(96)	(148)	(122)
Capital Financing Capital Programme Review- Reduction in Capital Financing Costs	(1,492)	(356)	(1,373)
Increased Income and Staffing, Supplies and Services Savings in the Governance Directorate	(135)	(135)	(135)
Sharing Data Protection role with Cambridgeshire County Council	(38)	(38)	(38)
Re-profiling of the PFI insurance Rebate	(100)	100	(100)
Funding Changes	**(12,703)**	**(3,079)**	**(3,154)**
Additional Social Care Funding	(993)	(993)	(993)
C-19 Response Fund Tranche 5	(6,366)	-	-
Council Tax Increase- 3% Adult Social Care precept and 1.99% General Council Tax increase (total 4.99%)	(1,674)	(1,747)	(1,822)
Lower Tier Services Grant	(281)	(281)	(281)
New Homes Bonus	(988)	-	-
Revenue Support Grant (RSG)- Inflationary increase	(58)	(58)	(58)
Tackling Troubled Families grant extension	(753)	-	-
Local Council Tax Support Grant	(1,590)	-	-
Non- Delivery of Savings Plans	**553**	**553**	**553**
HR Controls- Agency Saving	447	447	447
Impairment of Business Improvement saving budgeted from April 2021	68	68	68
Impairment of Place & Economy saving increase budgeted from April 2021	38	38	38
Exceptional support from MHCLG (Capitalisation Direction)	**(13,734)**	**0**	**0**
Exceptional support	(13,734)	-	-
Grand Total	**(35,668)**	**(9,821)**	**(9,674)**

Further detail in respect of the proposals following appendices:

- Appendix A – 2021/22- 2023/24 Phase Two MTFS Detailed Budget Position.

- Appendix B –Budget Proposal Detail

5.3 **Grant and Funding Assumptions**

Table 8 outlines the Council's forecast core funding for the period 2021/22-2023/24, as confirmed within the final local government settlement in February. Further details of the assumptions used are outline within this section.

Table 8: Funding Summary Position 2021/22-2023/24

Funding Summary Position 2021/22-2023/24	2021/22	2022/23	2023/24
	£000	£000	£000
NNDR	(50,566)	(51,776)	(53,091)
Revenue Support Grant	(10,471)	(10,471)	(10,471)
Council Tax	(88,260)	(91,545)	(95,495)
New Homes Bonus	(3,054)	(1,461)	-
Improved Better Care Fund	(7,260)	(7,260)	(7,260)
Social Care Grant	(5,673)	(5,673)	(5,673)
Lower-Level Services Grant	(281)	(281)	(281)
C-19 Response Fund	(6,366)	-	-
Local Council Tax Support Grant	(1,590)	-	-
Capitalisation Directive	(13,734)	-	-
TOTAL CORPORATE FUNDING	**(187,255)**	**(168,467)**	**(172,271)**

Collection Fund Deficit Three-year Phasing and Tax Loss Guarantee Scheme

On 5 November parliament passed The Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020, which came into effect 1 December 2020. These regulations implemented the announcement made by the Secretary of State on 2 July 2020, that the repayment of Collection Fund deficits arising in 2020/21 could be spread over the next three years. The Council has followed the proforma set by the government to implement this approach for both Council Tax and NNDR.

The change in legislation is a direct result of the pressure placed on Council Tax and NNDR collection rates due to the economic downturn caused by the Covid-19 pandemic. The deficits on the Collection Fund will be spread over three years to smooth the financial impact for Local Authorities. In addition, a further scheme announced within the Spending Review 2020 will compensate Councils for 75% of irrecoverable tax losses. The final details of the scheme are to be confirmed, but MHCLG published the scheme within the Local Government Provisional Finance Settlement, which included a basis for calculation. Following this approach, the Council currently estimates that it is likely to receive £2.1m. Following the CIPFA accounting code of practice this grant will need to be recognised in 2020/21 and therefore this estimate has been included within the Decembers Budgetary Control Report, also reported to this Cabinet meeting.

Council Tax

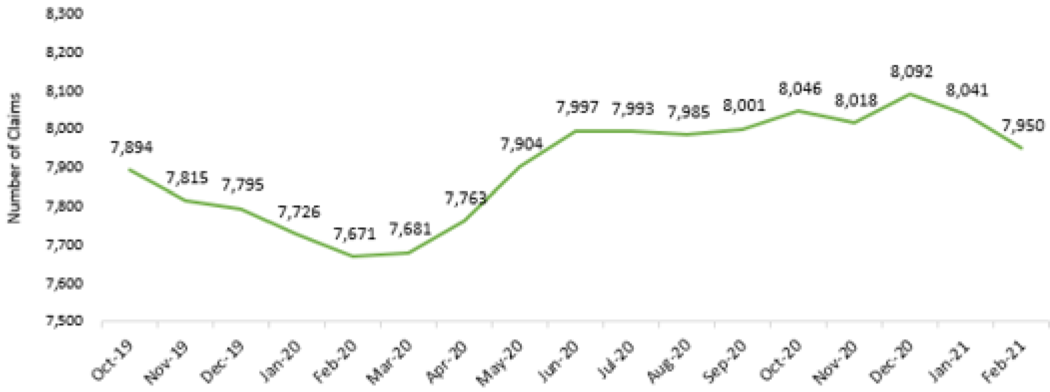
In December the Council Tax Base was reviewed, and reported to Cabinet on 18 January (link to report). This outlined a Council Tax Base of 59,714.72 Band D equivalent properties for 2021/22, which is an increase of 621.25 (1.05%) in comparison to 59,093.47 Band D equivalent in 2020/21. The Council's base budget assumption is that the tax base increases by roughly 780 Band D equivalent properties each year, this equates to around 1,000 properties. Although the increase, is positive in light of the current economic position and is a sign of continued growth, it does fall short of the original budget forecast.

The proposed Band D rate of **£1,467.76 in 2021/22** is in comparison to £1,398.00 in 2020/21. This increase of 4.99%, is 3% Adult Social Care (ASC) precept and 1.99% general increase, which is within the referendum limits for 2021/22.

Each year the Council must evaluate the financial position of the collection fund and declare whether there is a surplus, where additional income has been collected in comparison to budget, or a deficit, where the income collected is less than budgeted. This amount is then carried forward into the following year's budget. For years the Council has declared a surplus position due to the level of housing growth within the city. However due to the impact of C-19 the estimated position on the collection fund at the 31 March 2021 is a deficit.

In Phase One the estimates for the Collection Fund in relation to Council Tax were lower than previously budgeted due to a steady rise in the numbers of Local Council Tax Support (LCTS) claimants and from reduced collection rates. Unlike business rates the Council Tax collection rates have improved and are less than 1% behind target, as illustrated within Graph 3. The rise in the levels of LCTS claimants appears to have plateaued, and although in recent months there is a reduction in the number of working age claimants, it is expected this will rise again as a result of Tier 4 and Lockdown 3.0 restrictions. Graph 2 outlines the levels of claimants between October 2019- February 2021.

Graph 2: Local Council Tax Support Claimant Levels



The key driver for the estimated deficit on the collection fund is in relation to a delay in house building compared to the assumptions included within the original budget. This is a result of the C-19 restrictions in place in the first lockdown. The Council has also increased the level of bad debt provision to mitigate the risk of carrying higher levels of council tax debt.

The Council Tax requirement, tax base and the Band D Council Tax rates will be confirmed within CTR1 return, which is submitted to MHCLG within 7 days following Council approval. Appendix E contains further information on Council Tax base and rates.

NNDR (Business Rates)

Collection Fund - as mentioned each year the Council must evaluate the financial position of the collection fund and declares whether there is a surplus, where additional income has been collected in comparison to budget, or a deficit, where the income collected is less than budgeted. This amount is then carried forward into the following year's budget. In recent years the Council has been able to declare a surplus position due to the level of business growth within the City. However, due to C-19 the estimated position on the collection fund at 31 March 2021 is a deficit.

In Phase One the Council was expecting a more severe position on the collection fund due to a significant fall in collection rates and an increasingly fragile local economy. However, a thorough review of the NNDR assumptions has been undertaken with the overall impact on the collection fund better than previously anticipated. The Council has considered the risk of non-collection along with the greater number of appeals to be mitigated against through contributions to the provision (covered in the following points). However, despite the challenging economic conditions Peterborough has still experienced business growth within the city. This growth has led to income base increase that helps to off-set other pressures putting a strain on the collection fund balance.

Bad Debt Provision - following a review of the outstanding balances in respect of NNDR the Council has estimated the increase in its bad debt provision required to mitigate the financial risk of non-collection in the future. The current levels of NNDR income collection are 17.3% lower than the levels achieved in the same period during 2019/20. The reduction in collection rates is illustrated in Graph 3.

Appeals - there has been a national rise in the levels of appeals received by the Valuation Office Agency (VOA). This reflects a significant number of Material Change in Circumstance (MCC) appeals. These have been raised by businesses which have been significantly affected by the C-19 pandemic, and which did not qualify for the 100% relief scheme. The VOA is yet to make a decision on the outcome of these claims, and it is speculated that a decision may be made which will cover whole sectors, such as offices. This was leaked in the media in December (link to article). Nationally, local authorities (LA's) are expecting the VOA to publish an outcome before the 31 March 2021, when the Statement of Accounts are drafted and the NNDR3 Government return is due. This would enable LA's to make accurate provisions to reflect the financial risk, or without a decision this could reflect a contingent liability, which attracts a different accounting treatment. In the absence of a decision, it its thought that MHCLG may have to intervene by extending the Tax Loss guarantee scheme to ensure LA's are able receive compensation for the lost NNDR income once a decision is made. The Council has ensured that the current level of appeals raised in Peterborough has been provided for within the budget, and will keep all developments under review with estimates refreshed in advance of 31 March. To demonstrate the scale of the risk, offices represent 15% of the Rateable Value within Peterborough.

The current 100% retail relief scheme which also covers leisure hospitality and nurseries is due to end on 31 March 2021. The government has not announced any plans to extend this into 2021/22. However, a strong indication has been made that a scheme for 2021/22 may be announced. On 3 February a ministerial written statement, urged billing authorities to consider postponement to issuing 2021/22 business rates bills until after the Chancellor has set out his plan in the Budget on 3 March. If further relief schemes are announced, and these are at no financial cost to the Council, it will look to adopt as local discounts under S47 of the Local Government Finance Act, and be in line with the schemes and qualifying criteria outlined by Central government.

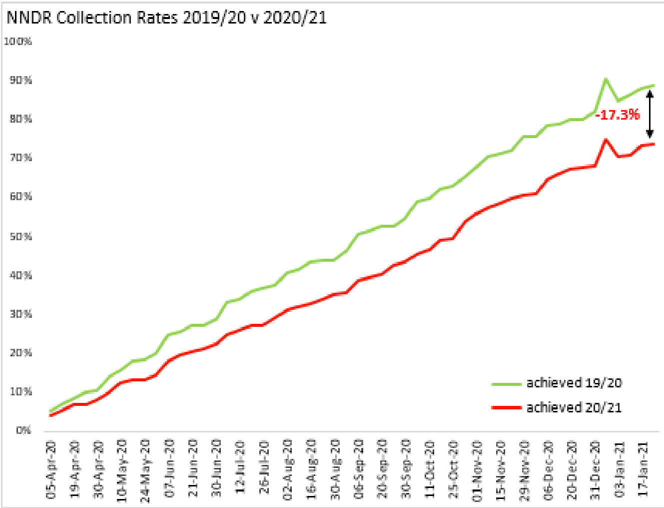
Empty Property Relief - the Council has incorporated within its NNDR forecast an increase in empty property relief. This follows a report published by Savills which outlined that 12.5% of retail space nationally was now vacant, and it has been publicised that a number of well-known high street stores such as Debenhams, Arcadia, Paperchase and Peacocks have entered into administration. All of these businesses have properties within Peterborough and once vacated will attract relief for a short period of time.

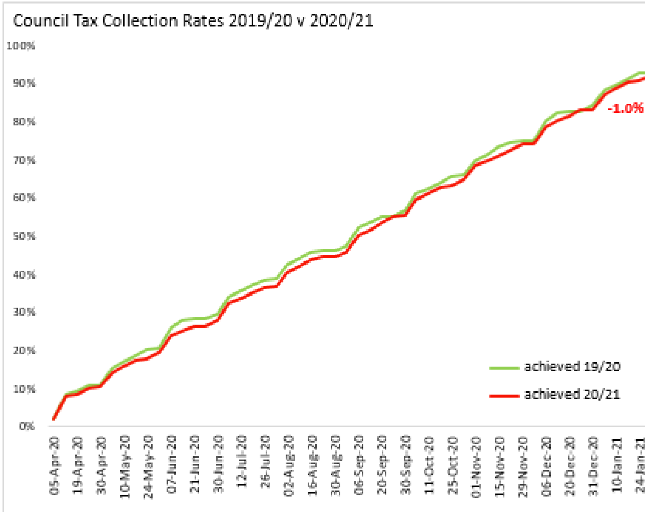
Growth - within the SR20 the Chancellor announced a multiplier freeze, which means business rates will be frozen at the 2021/22 rate, compared with in ordinary times where business rates would have risen in line with CPI.

Despite these additional risks the Council is forecasting growth in its NNDR income, as a result of business growth within the city. This includes a number of warehouses and distribution centres on the Roxhill Site, which have created hundreds of jobs in 2021/22, the new Premier Inn in the city centre and a number of stores including Home Bargains, Aldi and Iceland.

The NNDR1 return outlines the Councils forecast in respect of NNDR income for 2021/22. This was submitted to MHCLG on 31 January 2021.

Graph 3: NNDR and Council Tax Collection Rates 2019/20 v 2020/21





Grants

Revenue Support Grant (RSG) - as announced within SR20, and later confirmed within the Local Government Provisional Finance Settlement, the Council is to receive an inflationary increase based on CPI at 0.5% to its level of RSG, an increase of £0.058m in comparison to 2020/21.

Lower Tier Services Grant - this is a new grant totalling £111m, which was announced within the LG Provisional Finance Settlement, of which the Council's allocation has been confirmed at £0.3m. This grant has been allocated to Local Authorities with lower tier functions (districts and unitary authorities) to ensure that no authority suffers a loss of Core Spending Power in comparison to 2020/21. This grant is evidence of an inequality and shift in resource allocation within the Local Government sector, and a sign that the requirement to 'level up' funding is becoming more apparent to ministers.

Social Care Grant and Improved Better Care Fund (IBCF) - the levels of IBCF in 2021/22 remain unchanged in comparison to 2020/21. The Social Care Grant has increased by £1.0m in 2021/22 as a result of the additional Social Care Grant announced within the SR20, totalling £300m nationally. This funding forms part of a package alongside the ability for Local Authorities to raise an ASC precept. As such 80% of this grant distribution was equalised to take account of the levels of ASC precept to be generated at each Local Authority and 20% based on the ASC relative needs formula. This distribution methodology is welcomed by the Council as it supports Councils with a lower rate of Band D or council tax base, to ensure a fairer allocation of resources.

New Homes Bonus - is a funding scheme where Councils are incentivised and rewarded for housing growth within their area, and more so when homes are affordable or empty homes are brought back in to use. It was originally anticipated that New Homes Bonus would be phased out with a new scheme being introduced. This was to be consulted in within 2020/21, however due to the C-19 pandemic, the consultation has been delayed until Spring 2021. In light of this delay the government has confirmed allocations which included payments in respect of the years 2018/19 and 2019/20 and a new allocation for 2021/22. The 2021/22 allocation is one off, as a result of the delay, and has meant the Council has been able to factor this additional funding in to the budget for 2021/22.

Public Health grant - levels are expected to be confirmed in February. The MTFS assumes the grant will remain at the same level as 2021/22 at £11.1m.

C-19 Specific Grants (one-off)

C-19 Response Fund Tranche 5 - the £1.55bn of funding was originally announced in SR20, with the Councils allocation of £6.3m being confirmed in the Local Government Provisional Settlement. This grant is one off, and is only a third of the £18.7m response funding received in 2020/21. Indications from MHCLG are that they assume business as usual will resume in summer 2021.

LCTS Grant - within the SR20 the Chancellor confirmed £670m of grant funding for Local Authorities to compensate them for the additional costs associated with the increase in LCTS caseloads. The grant is one off for 2021/22. It will be distributed based on the working age LCTS caseloads within each billing authority area, with the Council's allocation being confirmed at £1.6m.

Sales Fees and Charges (SFC) Income Compensation Scheme - the scheme which has been in place in 2020/21, which sees Councils compensated for 75% of their lost SFC Income, has been extended in to the first 3 months of 2021/22. This is indication again that MHCLG are working to a business-as-usual assumption come the summer 2021. The Council has not factored the loss of income or the resulting income compensation into the budget. This means the Council is carrying a level of financial risk within its budget as a result of this, which is noted on the risk register.

Further details of the grants the Council expects to receive in 2021/22 are outlined within Appendix D - Grant Register.

As outlined within section 9.3, the Fairer Funding Review is expected to take place in 2022/23. However, no guarantees are given about local government funding reform. Within the Final Settlement written statement published on 4 February it committed to *"revisit the priorities for finance reform in time for the next Spending Review". Ministers will take into account "wider work on the future of business rates and how best to organise and finance adult social care".*

5.4 **Fees Charges and Inflation**

As part of the MTFS the council must review its fees and charges to ensure it is receiving appropriate recompense for the services that it is allowed to charge its stakeholders. For the majority of charges, the Council has latitude to increase or decrease costs appropriately. However, there are some services where increases are set nationally.

The Council is expecting to generate additional income of £0.75m in relation to fees and charges changes. Table 9 outlines which service areas the additional income will come from:

Table 9: Fees and Charges Summary

Fees and Charges Summary by Service Area	**2021/22 £**
Asset Management	4,000
Business Regulations - Hackney Carriages	6,000
City Centre Operations	2,500
Peterborough Cemeteries - Interment Fees & rights of burial	8,905
Peterborough Crematorium - Cremation Fees - Main Fee inc Env surcharge	44,766
Peterborough Crematorium - Memorial Sales	5,058
Peterborough Highway Services	4,000
Trading Standards	300
Total	**75,529**

Further detail on the Council's fees and charges are set out in Appendix F and on the Council's website.

A review of the Council's inflationary budget assumptions has been conducted by officers. This includes reviewing budget assumptions in relation to the Council's key contracts, pay, rates and utilities.

Following the SR20 announcement made by the Chancellor, the Council has updated budget assumptions to reflect the freeze on the Business Rates multiplier. This means the business rates due on the Council's properties will be at the same rate as 2020/21. This has allowed the Council to release a saving of £0.085k, from this budget in 2021/22, and reduce the future years budgets as a result of the freeze and the lower forecast levels of CPI.

There have been other minor amendments to the inflationary assumptions as a result of the lower levels of forecast RPI/CPI. Table 10 summarises the overall inflationary budget and the associated saving expected.

Table 10: Inflation Summary

Inflation Summary	**2021/22 £000**	**2022/23 £000**	**2023/24 £000**
2021/22 Inflation requirement	2,045	2,045	2,045
2022/23 Inflation requirement		2,169	2,169
2023/24 Inflation requirement			2,247
Inflation Required	**2,045**	**4,214**	**6,461**
Inflation Built in to 2020/21 MTFS	**2,141**	**4,362**	**6,583**
Inflationary Saving*	**(96)**	**(148)**	**(122)**

**Total of the inflation budget proposal*

5.5 **Cambridgeshire and Peterborough Combined Authority - Transport Levy**

The Cambridgeshire and Peterborough Combined Authority (CPCA) Order 2017 (SI 2017/251) conferred the local transport planning powers to CPCA as the local transport authority. Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) remain the local highway authorities. The Transport Levying Bodies (Amendment) Regulations 2018 came into force on the 1 October 2018 and enabled the CPCA to levy CCC and PCC for the cost of delivering the transport functions.

Until 31 March 2021 CPCA has opted to delegate Passenger Transport powers to both Cambridgeshire County Council and Peterborough City Council. This included the functions:

(a) The role of Travel Concessionaire Authority

(b) The funding and management of bus services including the ability to let contracts and enter into Advanced Quality Partnership Schemes and Enhanced Partnership Schemes

(c) Provision of socially necessary bus services

(d) Provision of bus information, including Real Time Passenger Information.

From 1 April 2021 the delegation will end and CPCA will deliver the undertaking directly. CPCA will continue to levy PCC for the cost of the provision of these services (a sum of around £3.8m in 2021/22) and PCC will no longer hold funding for the provision of these services which were previously accounted for within the Place and Economy directorate.

5.6 **Capital Programme**

The Council's Capital Programme is viewed over a three-year period to ensure correct stewardship of assets and efficient use of budgets, with the first three years forming part of the MTFS. The Council is proactive in attracting external funding for as many schemes as possible. An officer-led Capital Review Group oversees the Council's capital requirements. The Capital Programme includes estimated project costs and profiling of expenditure whilst detailed business cases and due diligence is completed on individual schemes.

The Capital Programme contains funding for Invest to Save schemes. This budget is included on the basis that any projects funded via this budget will deliver savings to the Council. Business cases for future proposals are required to demonstrate how the cost of borrowing will be covered, e.g. through income generation, reduction in service costs. Invest to save is shown separately due to the projects only proceeding where they lead to savings which cover the associated capital financing costs in the year they occur, and the capital financing costs are recharged to service budgets. Further information on the Invest to Save programme is included with the Council's Capital Strategy.

The £22m for IFRS16 transition is excluded as this is not new capital spend, but a change in accounting treatment. Under the previous accounting rules leases that did not account for substantially for all of an assets useful economic life were treated as off balance sheet and charged to revenue. The new accounting rule brings these leases (unless under a year in duration or for assets below a de minimum value) onto the balance sheet as capital expenditure. On transition, the remaining value of these existing leases is treated as capital expenditure incurred on 1 April 2022.

The Capitalisation Direction is disclosed separately due to materiality and its exceptional support nature. Additional investment schemes that have been added to the previous MTFS for approval are summarised in Table 11.

Table 11: New Capital budgets for approval within Phase Two

Directorate	Project and Funding Source*	2020/21 £000	2021/22 £000	2022/23 £000
Corporate	Capitalisation Direction (Borrowing)	4,800	20,000	-
Corporate	Community Leadership Fund Allocations	60	-	-
People & Communities	Greater Peterborough University Technical College - Year 7 Places (Borrowing)	-	200	-
People & Communities	Transfer of Vivacity assets	525	-	-
Place & Economy	Fletton Quays Access Road (£326k Third Party funding, £100k borrowing – funded from within existing budgets)	426	-	-
Place & Economy	Pothole Challenge Fund (Third Party funding)	2,352	-	-
Place & Economy	Dodson House Surfacing and Drainage Improvements (Borrowing)	-	178	-
Place & Economy	Highways Enhancements	150	150	150
Place & Economy	Towns Fund (£28.3m Third Party Funding, £1.79m borrowing)	-	12,175	17,915
Resources	Purchase 62-66 Bridge Street (£10m Third Party Funding, £7m borrowing)	4,000	3,000	10,000

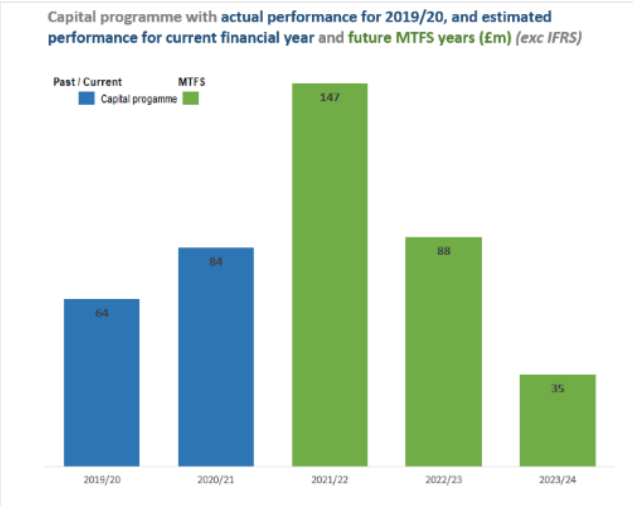
** to note no new schemes are profiled for the 3rd year of the MTFS - 2023/24*

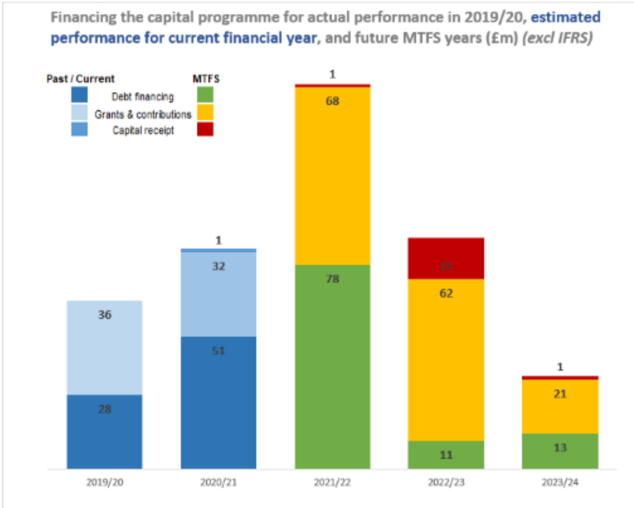
Table 12 provides a summary of the capital programme over the MTFS period. The full list of schemes is detailed in Appendix G - Capital Programme Schemes 2021/22-2023/24. The tables include the changes to the programme listed above and those agreed by 21 September Cabinet and as part of the Phase One budget proposals.

Table 12: The Capital Programme 2021/22- 2023/24 Summary

Capital Programme	2021/22 £000	2022/23 £000	2023/24 £000
Customer & Digital Services	2,500	3,000	3,000
People & Communities	46,128	13,147	16,453
Place & Economy	46,604	53,258	13,813
Resources	18,152	12,056	2,045
Total Capital Programme	**113,384**	**81,461**	**35,311**

Grants & Third-Party Contributions	67,764	61,975	20,631
Capital Receipts repayment of loans	1,079	15,488	1,219
Borrowing	44,541	3,998	13,461
Total Capital Financing	**113,384**	**81,461**	**35,311**
Invest to Save	13,500	6,575	-
Capitalisation Direction	20,000	-	-
Invest to Save and Other Borrowing	**33,500**	**6,575**	**-**
IFRS16 Transition (estimated)	-	22,000	-
Total Capital Programme	**146,884**	**110,036**	**35,311**





6.0 ROBUSTNESS (SECTION 25) STATEMENT

6.1 Requirement

Section 25 of The Local Government Act 2003 includes the following statutory duty in respect of the budget report to Council:

"the Chief Financial Officer (CFO) of the authority must report to it on the following matters:

a. *the robustness of the estimates made for the purpose of the calculations and*
b. *the adequacy of the proposed financial reserves."*

The Council is required to take this report into account when making that decision.

Section 26 of the same Act places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

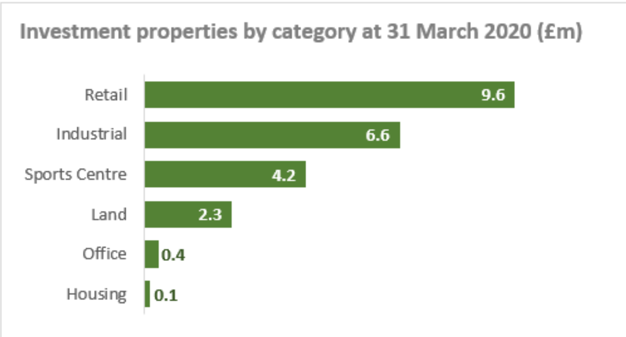
This report has been prepared by the CFO as part of fulfilling this duty and gives the required advice relating to the Councils current and future years financial position, including a consideration of the proposed budget as a whole and all the financial risks facing the Council. It identifies the Council's approach to budget risk management and assesses the risks associated with the current year and 2021/22 budget to inform the advice on robustness.

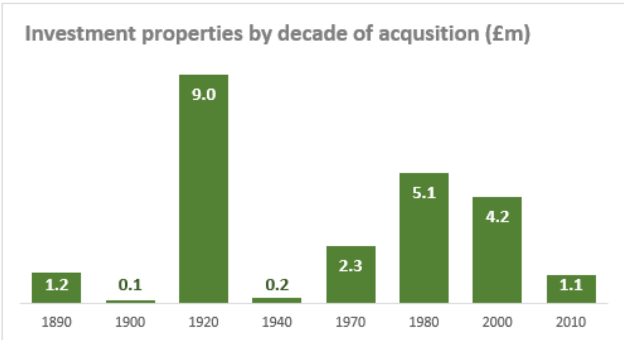
6.2 Overall Financial Position

As this document demonstrates, the Council is operating in a challenging financial environment, with additional uncertainties and significant risk factors from the impact of the C-19 pandemic and the resultant national and local responses to control the virus as well as support the City in its recovery efforts. Previous MTFS Robustness Statements have highlighted the fragility of the Council's financial resilience through a reducing reserves position leaving little recourse if savings were not delivered as planned or unforeseen events materialised. It is for these latter reasons that as part of the budget planning the 2020/21 financial year the Council sought, and successfully received the Capitalisation Direction to fund the transformational change that was required to delivery an ongoing and sustainable budget.

In order to achieve balanced budgets in the past, the Council has utilised one-off funding solutions, such as using capital receipts, reviewing the Council's Minimum Revenue Provision (MRP), delivering years of extensive saving plans and maximising its Council Tax and Business Rates income. Strategically the approach has also reviewed:

- It's asset base and listed assets available for disposal, see Appendix K Capital Strategy. It should be noted that these assets may require complex negotiations at a period of national economic uncertainty as a result of the pandemic and as recovery commences.
- It's modest portfolio of investment assets, valued at £23.1m at the 31 March 2020, to ensure it limits exposure to property related commercial risk. The charts below illustrate the mix of assets and external a recent external review concluded that the assets held were:





"to the extent and level that I would expect to see in a long-established City like Peterborough. Most of these assets have been part of the Council for many years, and income associated with them is hard wired into Council budgets. This is not a Council that has entered in any great extent into the purchase of investment purely for yield using cheap PWLB loan finance. Accordingly, its exposure to commercial risk is no more and probably less than would have anticipated".

- The funding risk profile of the Council and how this has changed over time so that there is now greater reliance placed on council tax and business rates as the Council's core funding resource. This exposes the Council to greater levels of risk inherent in these funding streams, which have been experienced as a result of the C-19 pandemic and are anticipated to continue as the nation recovers.

The Council has been proactive in managing its financial strategy whilst continually being exposed to additional financial risks through funding reductions and lack of certainty in funding settlements. As part of the previous financial strategy the Council undertook an intensive six-week period of investigative and service review work to be used to inform the development of a new model of service delivery in order to operate within its financial envelope. However, as a direct result of responding to the national emergency created by the C-19 pandemic the savings identified from this review were impaired from £11.9m of new savings to an estimated £3.6m for 2021/22 and further possible opportunities of £4.0m for the following financial years. Management of the local response and recovery to the pandemic has seen redeployment of teams, and the management capacity required to deliver such transformational change severely reduced.

In Phase One of this MTFS it was identified that without additional funding from government, or the ability to use some of the alternative financial solutions (as suggested to MHCLG but with permission denied), the Council was forecasting to use most of the useable reserves to fund the additional C-19 challenges forecast in the current financial year. As a result, the Council, in accordance with the CIPFA modifications, contacted MHCLG in October 2020 to enable the further explorations of alternatives to issuing a s114 notice. Since Phase One of the MTFS was published additional national and local lockdowns were implemented, and further general and specific grant funding from Government has been received to mitigate some of the additional C-19 pressures, outlined in Table 4.

The Council has explored further funding opportunities with MHCLG, to ensure that local services continue to meet statutory and legal obligations, and the Council is able to respond to, and recover from, the challenges of C-19 both now and in the future for residents and businesses of the City. Disclosures have already been made how MHCLG have acknowledged that the Council is in requirement of exceptional support in order to set a legal balanced budget for 2021/22 and to protect the existing low level of reserve balances to maintain some financial resilience in 2020/21. However, at the time of drafting this MTFS the offer of exceptional support is in the form of an agreement in principle to a capitalisation direction that is conditional on a series of scrutiny actions from MHCLG for 2021/22.

For Phase Two, the opinion of the CFO is that the 2021/22 budget estimates contain risk due to the level of uncertainty in the Council's operating environment, making it problematic to develop meaningful assumptions on which to base income receipt levels and demand-led expenditure budgets. Whilst it is important that MHCLG has recognised that the Council is in need of exceptional support, the 2021/22 commitment from the Ministry is in principle and conditional only, and relates to additional borrowing to fund revenue costs which will attract an additional 1% on top of the PWLB rate available to other Councils. This solution is unsustainable. It adds additional future budget burdens in form of repayment of debt. The funding of the Council in the medium to long term remains problematic and uncertain without further, ongoing government funding, see section 10 on the strategic factors to develop a viable Council.

To set a legal balanced budget the Council is reliant on the receipt of exceptional support from Government. Approval of this strategy is recommended due to the underlying funding deficit inherent in the Council's resource envelope that in turn means alternative options to fund the budget gap to the value presented are absent. **The Council has no recourse to alternative options. Without receipt of the exceptional support, the Council is not able to set a legal budget in 2021/22 which is the requirement of Full Council.**

6.3 **Robustness of the 2021/22 budget estimates**

The revenue budget and capital programme have been formulated having regard to several factors including:

- Funding availability
- Risks and uncertainties
- Inflation
- Priorities
- Demography
- Service pressures
- Emerging opportunities
- Response to C-19 pandemic
- Recovery from the C-19 pandemic
- Conditional capitalisation direction

The MTFS highlights that the current financial position is untenable without additional ongoing funding. Whilst a balanced budget for 2020/21 was approved in March 2020, the Council is currently forecasting a £5.4m pressure as a result of the additional demands placed on it from responding to the C-19 pandemic. Additional grant funding has been received throughout the year and the Council forecasts to mitigate further C-19 pressures through the application of the new income support schemes such as the Sale, Fees and Charges Compensation scheme, and tax receipts through the irrecoverable Council Tax and Business Rates schemes. In order to protect its already weaken financial resilience from low reserve balances the Council has also been provided with a conditional offer for exceptional support in 2021/22. This additional funding demonstrates the importance of the Council to deliver the locally the national response to C-19 but also the risk exposure to non-government funding to delivery core statutory services.

For this MTFS it has proven problematic to find surety in the development of realistic assumptions due to the significant uncertainty inherent in the Council's operating environment. These uncertainties include:

- long-term increases in demand for council services
- market sustainability of key service providers
- the inability to forecast with any certainty the future profile of recovery for income generators such as car parking
- uncertainty with how to profile business rate income given the reduction in government support, appeals, non-collection of rates and associated closures of businesses due to C-19

- uncertainty with the increase to Local Council Tax Support scheme with the continuation of Lockdown 3.0 and unknown timing for economic recovery
- continued uncertainty from the overall impact in funding of the local government sector from central government
- unknown financial and demand impact from the continuation of the current national C-19 related lockdowns
- unknown indirect impacts from any future global recession with no previous experience to base it on
- limited resources to implement any recovery or transformational activity.

Given all the uncertainty which encapsulates this MTFS budget, the assumptions have been based on the best available information to the Council at this time, with Phase One assumptions updated for the latest Government announcements, new income support schemes and with the knowledge that *"the Secretary of State is minded to approve a capitalisation direction of a total not exceeding £20m"* for 2021/22.

6.4 **Adequacy of Reserves**

Reserves are set aside to fund risks and one-off pressures over several years. Where reserve balances are low, future financial planning and financial resilience is hampered. It should be noted that reserves can only be spent once and the possibility of creating new reserves is currently unlikely.

The Council broadly categorises reserves as follows – in line with Local Government accounting practice:

- A working balance to manage in year risks – the General Fund Balance
- Usable Reserves– these are reserves for available for future commitments such as transformational investments and have been used to balance the budget
- Ring Fenced Reserves – to meet known or predicted requirements.

The Council's General Fund working balance is forecast to be £6.0m, usable reserves at £32.5m and ring-fenced reserves at £4.4m. The latter reserve type includes the actuarial assessed £3.5m insurance reserve and £0.8m of reserves held on behalf of schools for future capital expenditure, with the usable reserves including £20.2m of section 31 grant in respect of the NNDR C-19 retail reliefs applied in 2021/22. This will be fully utilised in 2021/22 to smooth the impact of the collection fund deficit.

The General Fund

The General Fund is usually held at a balance of £6.0m but was temporarily reduced in 2019/20 due to the identification of a timing difference in Business Rates, which meant income from Section 31 grants, was £0.9m lower than budgeted. The income has been received in 2020/21 and the General Fund replenished. In the opinion of the CFO, given

- the current significant economic uncertainty
- the lack of multi-year settlements in order to facilitate adequate financial planning
- a structural deficit which requires ongoing government support
- any unknown emergent risks

The balance of funds within the General Fund is at inadequate level as it does not reflect the level of financial risk the Council is inherently exposed to and is unlikely to mitigate and fund a significant emergent risk. This amount would equate to less than 3.2% of the Council's forecast net service expenditure.

Usable Reserves

Reserves are the only source of financing to which the Council has access to fund risks and one-off pressures. Reserves can only be spent once and the possibility of creating new reserves, in an era where budgets are tight and can become overspent, is currently highly unlikely.

The balance shown for the Capacity Building Reserve includes an element for investment required to enable transformational change and implementation of the service saving proposals. This balance is insufficient for the investment which would be required to deliver the magnitude of savings required in the future.

Departmental reserves are amounts set aside by departments, during the closure of the accounts and is in accordance with financial guidance to minimise risk exposure to the Council in the following financial year. These reserves are currently anticipated to reduce significantly in 2020/21 due to several specific grants being used to fund expenditure. These funds have been received for specific projects covering multiple years, and include:

- Family Safeguarding Innovation Programme
- Integrated communities Strategy
- Controlled Migration Fund (CMF).

It is expected at the end of this year further specific grants, will be included within the departmental reserve balances. These relate to grants associated with C-19 response and recovery activities, which will continue in to 2021/11, such as Test and Trace, Containment Outbreak Management, and the Winter Grant Scheme.

COVID-19 reserve relates to the first tranche of C-19 response funding from MHCLG and was an unringfenced grant received on 27 March 2020. Following the application of the accounting rules this was put into reserves at the end of 2019/20 for use in 2020/21.

The COVID-19 NNDR Section 31 Grant reserve reflects the grant received in 2020/21 to compensate the Council for the additional cost of providing 100% business rates relief to businesses in retail, leisure, hospitality and nurseries. Section 31 grants are accounted for through the General Fund, whereas business rates income is accounted for through the Collection Fund. The estimated balance on Collection Fund at the end of 2020/21 is exceptionally low as a result of the additional discounts applied to business rate payers. This grant will be drawn down in 2021/22 to smooth the budgetary effect of this deficit. This action has been factored into the Council's budget position.

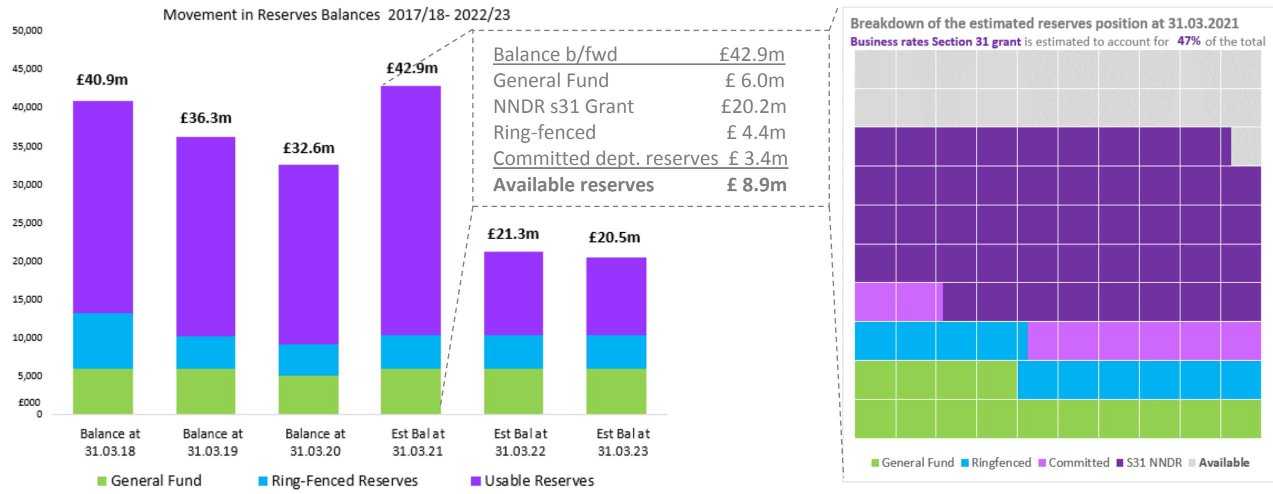
Table 13 outlines the forecast position on the General Fund (unallocated reserve), the usable and ring-fenced reserves (earmarked reserves).

Table 13: The Reserves Position 2019/20 to 2022/23

Summary of Reserves	**2019/20 Balance at 31.03.20 £000**	**2020/21 Est Bal at 31.03.21 £000**	**2021/22 Est Bal at 31.03.22 £000**	**2022/23 Est Bal at 31.03.23 £000**
General Fund	**5,111**	**6,000**	**6,000**	**6,000**
Usable Reserves:				
Capacity Building Reserve	12,992	9,018	8,906	8,906
Departmental Reserve	5,077	3,258	1,936	1,147
COVID-19 NNDR Section 31 Grant	-	20,205	-	-
COVID-19 reserve	5,332	-	-	-
Usable Reserves	**23,401**	**32,480**	**10,842**	**10,053**
Ring-Fenced Reserves:				
Insurance Reserve	3,073	3,459	3,459	3,459
Schools Capital Expenditure Reserve	752	752	752	752
Parish Council Burial Ground Reserve	56	56	56	56
Hackney Carriage Reserve	173	173	173	173
Ring-Fenced Reserves	**4,063**	**4,440**	**4,440**	**4,440**
TOTAL Earmarked and General Fund Balance	**32,575**	**42,920**	**21,282**	**20,493**

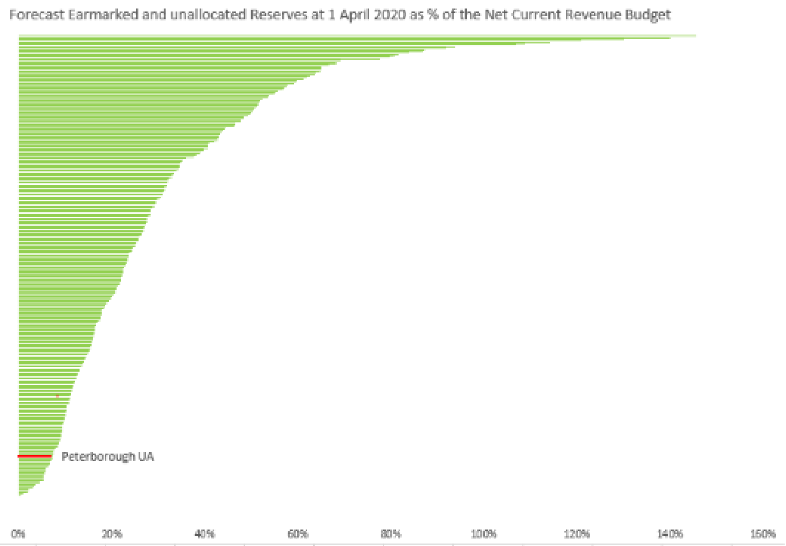
note to the table - this includes the assumption that the projected 2020/21 overspend of £3.6m is funded via capitalisation direction and any of the budget gap in 2021/22 is funded via reserves.

The following charts show the forecast balance of the reserves from the end of 2017/18 to an estimated end position for 2022/23. The reserve balances at the end of 2019/20 appears relatively high due to the inclusion of the £5.4m of C-19 response fund, then greater again in 2020/21 due to the inclusion of the NNDR Section 31 grant, with both being fully utilised in 2020/21 and 2021/22 respectively. Although in principle there is exceptional support available to the Council in 2021/22 which ensures a balanced budget, a significant challenge still remains in 2022/23. Of these reserves balances only **£8.9m is uncommitted, un-ringfenced and available for use**, which would only cover 33% of the £26.8m budget gap in 2022/23.



6.5 **Risk, Resilience and Reserves**

The following chart shows the Council's reserve balances in comparison to other local authorities. This shows the Council has one of the lowest reserve balances in the Country, with the ratio of reserves to net revenue expenditure in 2020/21, equating to only 7.4%.



Source- [Revenue Account Budget data- 2020/21]

A Council's reserve balances should safeguard the Council against future unknown risk. The Council is exposed to greater levels of risk now when compared to 2013/14 as a result of further pressure on budgets as the rise in demand continues, and the exposure to volatility caused by the Council's total funding being highly geared towards local tax collection. Chart 6 outlines this change in the Councils funding make up.

7.0 BUDGET VIREMENTS

7.1 The Council's Budget and Policy Framework, paragraph 4.9 enables the council to specify the extent of virements within the budget and degree of in-year changes to the Policy Framework, which may be undertaken by Cabinet. Virements allows the Council to move spend approved in the budget to another budget in accordance with Financial Regulations.

7.2 Having reviewed the existing framework and the council's Financial Regulations the principle remains that approved budget cannot be moved from one area of spend or project to another unless it meets Financial Regulations. This applies to both revenue and capital budgets.

7.3 The virement limits for 2021/22 are as follows:

- Directors, within their own area, can approve virements up to £500k
- Virements required across departments can be approved by the relevant departments up to a limit of £250k, any virements in excess of this limit will require Cabinet approval
- All budget virements in excess of £500k will require Cabinet approval
- All budget virements in excess of £1m will require Council approval

7.4 The virement procedure rules will not apply in the following circumstances:

a) Reflecting organisational structure changes e.g. changes in reporting line
b) Allocating corporate budgets or savings to departments agreed in the MTFS
c) Allocating budgets to individual schemes e.g. from school places capital programme or local transport plan projects.

7.5 Part 13, section 3 of the constitution enables the Chief Executive to undertake certain action in an emergency:

- 3.13.2 The Chief Executive is authorised:
- (d) to take any action, including the incurring of expenditure, where emergency action is required

7.6 In the event that this applies to virements, it will be reported to the next relevant meeting in line with the limits in 7.3 above.

8.0 FINANCIAL RISK

8.1 Local government has become increasingly exposed to risk and instability within the system. It has become financially stretched following a decade of funding cuts and austerity measures, and the uncertainty around future funding and wider public sector reforms causes' added difficulty for strategic planning. The Council assesses financial risks as part of its annual budget setting process and regular Budgetary Control process.

The Council also has a Risk Management Board, led by the Corporate Director of Resources, which is set up to challenge and support risk management across the Council and partner organisations. The output from this Board is considered regularly at Audit Committee. The last meeting of this board was held on 25 January 2021.

The Board ensures that risk management is aligned with the overall organisational approach and that the identification of key issues is managed, reported and escalated appropriately and in a timely manner. Officer awareness of risk and capacity to manage risk is maintained, with a regular monitoring and reporting process to provide assurance in relation to the Council's overall governance and control environment.

Most of the financial risks identified are inherent, including the requirement to deliver savings plans, management of budgets, which relate to demand led services and assumptions in respect of the level of resources receivable through Council Tax, Business Rates and Government grants.

An additional risk log has been developed to identify C-19 specific risks. This is reviewed by the Joint Management Team (CMT that covers both the Council and Cambridgeshire County Council). This includes operational and finance risk, some of which exacerbate the financial risks already identified. These exacerbated risks include the assumptions around the levels of income and collections rates in respect of Council Tax and Business Rates and the levels of short term and ongoing Government grant received to support the additional costs and new responsibilities taken on by the Council such as Test and Trace. In addition to this estimating the levels of sales, fees and charges, income and expenditure levels, remains incredibly difficult, especially while the country remains in Lockdown 3.0, and lasting operational and economical effects on the pandemic remain unknown.

Ernst and Young (EY), the Council's external auditors, have undertaken an in-depth assessment of the Council's arrangements to secure economy, efficiency and effectiveness, commonly known as Value for Money. This included reviewing the Council's budget assumptions, the financial strategy and savings plans. The modelling undertaken by EY concluded the Council's budget assumptions over the MTFS were both reasonable and appropriate, however recognised that the financial challenges facing the authority could be more severe, with the Council's current levels of reserves and financial resilience hindering the Councils ability to overcome these challenges.

Reasonable mitigating actions have been made where possible to the identified and managed risks. Appendix H details the budget risks and identifies how C-19 has increased these risks. Cabinet and Council should consider when reviewing the Phase Two budget proposals.

9.0 NATIONAL FUNDING CONTEXT

9.1 Financial Impact of C-19

Nationally, C-19 has had a significant impact on Council finances. The latest C-19 financial management information analysis published by MHCLG, identified additional pressures and lost income was **c£11bn.** This included:

- **c£5.5bn** of Cost pressures including Adult Social Care, Homelessness, supporting residents that are shielding, lost savings opportunities
- **c£3bn** Income losses in respect of Business Rates and Council Tax
- **c£3bn** Lost 'Sales Fees and Charges' and commercial income. MHCLG have launched a scheme which will partially compensate Councils for lost Sales Fees and Charges income, this scheme will run until 30 June 2021.

Some of these cost pressures and reduced income generation will have lasting effects for councils and will impact base budgets in the medium term. This makes it ever more important that clarity on the longer-term funding position for Local Government is confirmed.

9.2 Spending Review 2020 (SR20) and Final Local Government Finance Settlement 2021/22

The SR20 was announced by the Chancellor on 25 November. The SR20 was dominated by the effects of C-19, with a significant rise in expenditure. The SR20 outlined the total managed expenditure increasing from £883bn in 2019/20, to £1.164bn in 2020/21, before reducing to £1.011bn in 2021/22. The announcement provided local government with some short-term certainty and resources for 2021/22, to ensure the continuation of vital services and the response to the C-19 pandemic can be delivered.

The announcement outlined funding for C-19 pressures, additional Social Care funding and Council Tax flexibilities, all confirmed within the final Local Government settlement. On the face of it the government outlined a potential 4.6% increase in Core Spending Power. However, the final settlement documents outline that this increase was over 85% dependant on Councils raising the levels of Council Tax. This leaves Councils like Peterborough, who are in need of additional funding to protect services, little choice but to raise Council Tax by the maximum allowable amount.

Highlighting the increase in CSP portrays a position of 'new' funding being made available to Local Authorities. This is misleading to the sector and public, and creates difficulties for the Council in justifying and explaining Council Tax rises to the local taxpayer.

The final settlement confirmed a change in approach, whereby unused New Homes Bonus was used to fund other 'new' grants, instead of returning it back to local government like in previous years. These actions create turbulence in the funding system, making it difficult for Councils to financially plan due to unpredictability in approaches applied and reducing confidence in the system. These are all concerns the Council has outlined in its consultation response to the Local Government Provisional Settlement.

Overall, the Council will receive additional funding of £12.7m in 2021/22 and £3.1m from 2022/23 onwards as a result of the announcements, this is outlined within Table 14. It highlights that over 70% of additional funding was one-off expected for 2021/22 only.

Table 14: Funding as a result of Local Government Final Settlement

	2021/22 £000	2022/23 £000	2023/24 £000

£1.55bn of C-19 Funding (Tranche 5)	6,366	-	-
RSG- Inflationary increase (CPI-0.5%)	58	58	58
£300m Social Care Funding	993	993	993
New Homes Bonus (additional year)	988	-	-
Council Tax- 3% ASC precept and 1.99% general Council Tax (total 4.99%)- MTFS originally assumed 2.99%	1,674	1,675	1,675
£670m Local Council Tax Support Grant	1,590	-	-
Lower Tier Services Grant	281	281	281
Tackling Troubles Families	753	-	-
Total Budget Impact	**12,703**	**3,007**	**3,007**

Other items announced include the continuation of the Sales, Fees and Charges income compensation scheme until June 2021. Based on Jan-Mar 2021 forecasts this could be worth £1.1m, however the Council would have corresponding pressures which would mean there would be no beneficial budgetary impact.

A £762m tax loss guarantee scheme has been confirmed which will support authorities with 75% of Council Tax and NNDR losses. The Council estimates that it will receive a grant of £2.1m, based on current data. Following the CIPFA Code of Accounting Practice this would need to be accounted for in 2020/21. This has been factored into the December 2020 Budgetary Control Report (also presented to this Cabinet).

Other funding headlines within the SR20 and the final settlement include the following items, where the Council is waiting for further details to be released:

- Additional funding of £254m has been announced to reduce rough sleeping and homelessness, (£103m announced earlier this year)
- £98m of additional funding for domestic abuse, bringing total funding to £125m
- £1.7bn in 2021/22 for local roads maintenance and upgrades to tackle potholes, includes £500m for the Potholes Fund and £310m for upgrades to larger local roads
- £257m for cycling routes
- £621m to regenerate high streets, town centres and communities through the Towns Fund
- Public sector Pay freeze
- A major new £4bn "Levelling Up Fund", which will be open to all local areas and will prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less government investment in recent years. The government will set out further details on how to support levelling up across the UK in the New Year

MHCLG announced within the final settlement which Councils are receiving exceptional support. The Council was amongst 4 Councils (including Bexley, Luton and Eastbourne DC) receiving support within this round, and will continue to work closely with MHCLG on the Council's financial strategy to ensure the delivery of a sustainable future.

Longer Term Local Government Funding Reform

9.3 For a number of years the Local Government sector has been anticipating the implementation of major structural changes within the funding system, to reflect changes in relative need, resources and the continuing pressures, such as those most noticeable within Adults and Children's Social Care budgets.

As a result of the scale of the changes required, and then the C-19 pandemic, the Fairer Funding Review (FFR) has been postponed into future years. MHCLG and ministers have set out a broad timescale, which will follow other major government funding announcements (these are outlined in the following paragraphs). However, it is important that these announcements cover a multi-year period. In recent years Local Authorities have only been given one-year funding settlements leaving them to operate under increased levels of uncertainty, experience difficulties setting a strategic financial plan due to nature of short-term budgeting.

This makes it difficult for the Council to plan how best to allocate resources and provide services. After a decade of funding reductions, austerity measures, and the effects of an outdated funding system the Council is left with a funding deficit and greatly reduced financial resilience to manage budget risks.

For the Council to remain viable it requires sustainability and certain long-term funding, reflective of the needs within Peterborough. This would ensure the continuation of vital services at existing levels and support the recovery of the economy following the impact of the pandemic.

High Level Funding Reform Timeline

9.4

(*) "When there is a clearer path ahead, we will work with the sector and Members across the House to seek a new consensus for broader reforms to local government, including the fair funding review and the business rates reset, and we will ensure that councils are set on a long-term trajectory of sustainable growth and fair resources. We all would agree that we need an updated and fairer method for distributing public funds within local government. This year would have been the wrong time to bring that forward, I think. This is a one-year settlement in a period of almost unique instability in the sector. <u>There might be an opportunity to do it next year</u>, and my Department will work with the Treasury to review that." - Robert Jenrick, 17 December 2020

Council Tax Review

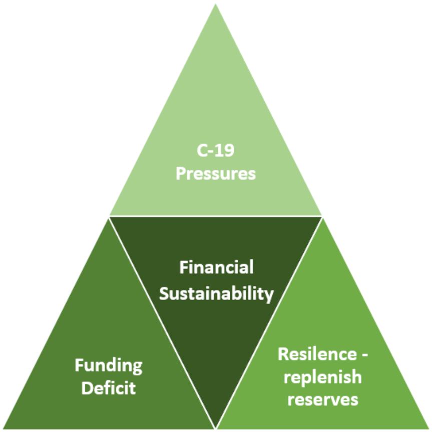
The case for reforming council tax is become increasingly apparent, with it is being <u>reported</u> that HM Treasury
9.5 has commissioned research into the impact of removing both council tax and stamp duty and replacing them with a single property value tax. It is not clear from the report whether it would remain a locally collected and spent tax, or if the impact on council finances will be considered. The rationale for combining stamp duty with council tax is to remove barriers for older people downsizing and families moving into bigger homes.

Council tax is the only locally set tax, although this is within restrictive referendum limits determined by central government. Since 2012 there has been a significant shift in the source of councils resources. Central government has increased councils reliance on council tax income, to deliver local services, by significantly reducing its core funding to them over the same period (this is illustrated within *section 4.3 Chart 5: Change in Core Funding from 2013/14 to 2021/22)*.

With the greater reliance on Council Tax as a key funding source across the sector this has created a disproportionate resource distribution that sees councils with higher tax bases or higher band D rates, having an advantageous position when it comes to generating local tax income. This is something which is not equalised within the current funding system. This inequality in the funding system is an issue which the Council has raised with its discussions with MHCLG, and welcomes the review into council tax, as it demonstrates that there is finally recognition that funding reform is required.

10.0 A VIABLE COUNCIL – FUTURE FINANCIAL STRATEGIC FACTORS

10.1 There are three core elements which when addressed would enable the Council to manage the unprecedented financial challenges resulting from the C-19 pandemic. Addressing these core elements would provide future viability, financial sustainability, and rebuild financial resilience which would enable the continuation of service development and innovation, in additional to better reflecting the Council's risk profile.



As outlined in section 4.1, there is an inequality of funding across Local Government, as a result of the current funding formula not keeping up with the changes in demographic make-up across the Country, and the ability for Councils to raise local taxes. Service users across the Country receive differing levels of service, reflecting different levels of VFM. The Council has demonstrated that it is already at the lower scale of the spectrum in terms of service spend, has low levels of resources and has weak financial resilience. To make significant unplanned reduction in services, would only increase risk further and create a more costly surge of demand in the medium to longer term.

The Council has suggested the following alternative options which could assist with the bridging of the funding gap and achieve a sustainable position for the Council and wider Local Government, prior to addressing the underlying medium- long term funding shortfall:

Option	Short term	Long term	Advantage	Disadvantage	Indicative value
One-year holiday on the repayment of **debt** (MRP)	✓	✗	Enables transformational activity	Increased revenue costs through interest payments in the short and longer term	**£15m**
One-year holiday on the contribution to past **pension** liabilities	✓	✗	Enables transformational activity	Increased revenue costs in the short and longer term	**£14m**
Remove the penalty on **PWLB loans** to allow Council to renegotiate the loan rates (refinancing)- *also included within the structural deficit solutions*	✓	✓	Benefits are spread over the short to long term time frame Precedence exists for such activity	Impact on national economics Immediate benefits smaller	**£4.3m**
Use PWLB borrowing to fund the **pension** deficit	✓	✓	Maximise the benefit of gilts to fund a longer-term liability	Impact on national economics	**£12.5m**
For current financial year reduce the **business rate** contribution to the central share	✓	✗	Assists with the council's cash flow Risk transferred to central government	Impact on the wider local government funding mechanism	**£10m**
Maintain the **New Homes Bonus** and not phase in the grant reduction	✓	✓	Reduction in the funding gap Reward for policy decisions	Impact on the wider local government funding mechanism	**£3m**
Capitalisation direction for C-19 costs	✓	✗	Cash injection for revenue funding	Future generations burdened with non-asset related debt	**No limit**

These options were ruled out by Alex Skinner (director of Finance, MHCLG) saying *"the department has been approached on a number of occasions about whether it could give accounting flexibilities, which it has carefully considered. However, the conclusion we have reached today is that actually we are much better off providing the support we have rather than accounting flexibilities because of the risk accounting flexibilities [involve of kicking the can down the road".*

Funding reforms could significantly improve the Council financial situation, and ensure that resource allocation reflects the level required to ensure the Council can continue to meet the need for services within Peterborough. The Council has identified and evidenced that a combination of the following options could provide the Council with adequate levels of resources in the longer-term. This would allow it to become financially sustainable:

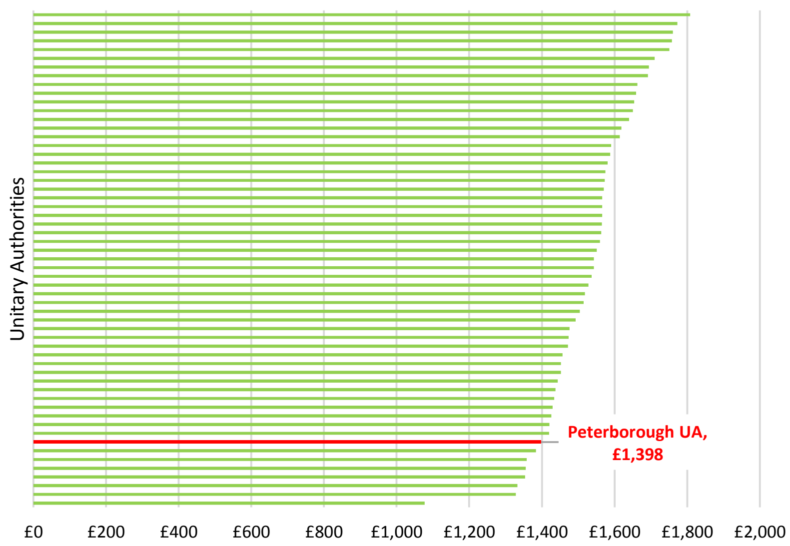
- **Fairer Funding Review** – including within the formula full Council Tax Equalisation, population projections and a greater weighting for deprivation.
- **Appropriate levels of capital funding** - for schools, infrastructure and reduced reliance on 'match funding'
- **Adult Social Care funding** - to recognise the growing demand in this area which requires additional support each year.
- Additional local **Council Tax flexibility** - with protection from excessive increases for those households falling within the 'JAMS' category.
- Local Government funding - **annual uplift to all funding** in line with CPI/RPI to recognise the increasing cost of services, supplies and the pay award
- Confirmation of **multi-year settlements** to support strategic service and financial plans.

The Council has identified £4.0m of savings opportunities categorised as 'amber' which could be developed with a view to implementing in 2022/23. However, even with the delivery of these the budget gap remains well in excess of £20.0m. The scale of the challenge remains significant, and the Council will continue to work closely with MHCLG on the delivery model which provides financial sustainability for the future.

10.2 **Council Tax and Funding**

Although Peterborough is a high growth area, it has a low council tax base which impacts the Council's ability to raise local council tax income. For Peterborough there is a large proportion (over 65%) of properties that fall within Bands A and B. Peterborough has the 8th lowest average Band D council tax rates when compared to other unitary authorities. The 2020/21 Band D rate is £1,398. If Peterborough was able to move to the average unitary council tax rate for 2020/21 of £1,534 **(a difference of £136 – 9.7%)** and applied to the tax base of 59,093 band D equivalents, this would generate an additional **£8m per year**.

Chart 5: 2020/21 Council Tax Band D Charge

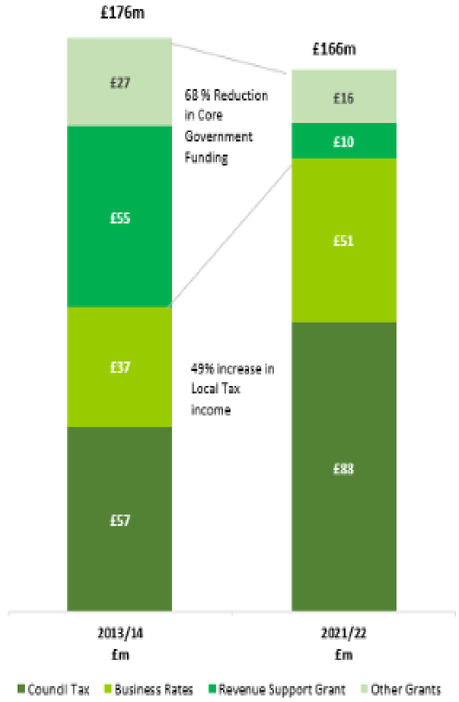


The Council Tax referendum limit restricts the Council's ability to raise the level of its total resources. Since the local tax lock, introduced in 2012/13, Councils have been encouraged to receive a Council Tax Freeze Grant or apply a minimal capped increase to council tax. This at the same time Council core funding has been significantly reduced.

Since 2013/14 the Council has experienced a 68% reduction in the level of core grant funding, and over the same time has relied on council tax increases and business rates growth to bridge the resultant funding gap. This has been partially achieved leaving a £10m difference. It would take increases in council tax greater than 12% to bring total resources up to historic levels. Chart 6 illustrates this shift in core funding and increased reliance on two funding streams more exposed to economic fluctuations.

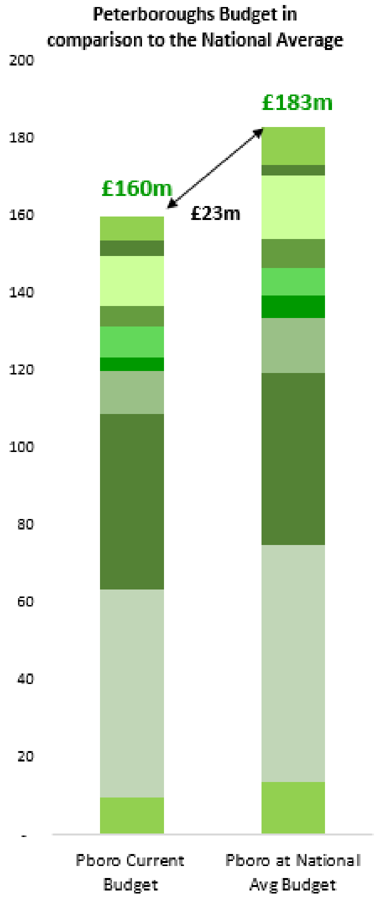
The reliance placed on council tax and business rates as the Council's core resource exposes the Council to greater levels of risk inherent in these funding streams. For 2020/21 and future years this risk increased as a result of the C-19 pandemic. The Council is experiencing rises in Local Council Tax Support claimants, reductions in collection rates and lower income from growth. The change in risk profile for funding highlights the importance of the Council's financial resilience reflected in the level of reserve balances it is these funds that the Council would resort to provide temporary stability and mitigate the immediate cost of risk materalisation.

Chart 6: Change in Core Funding from 2013/14



**the chart does not include one off C-19 funding or the assumed Capitalisation direction*

10.3



Low Unit Cost Benchmarking (2020/21)

Over the years the Council has been proactive in pursuing 'Value for Money' and low spend by implementing savings plans and ensuring spend remains low for the cost of service delivery. The Council maintains a strong awareness of comparison to other Local Authorities cost performance. The most recent benchmarking report demonstrates that the Council's expenditure, in comparison to other authorities across England, is 13% lower than average, and ranked 98th highest out of 119 comparable authorities - **the lowest 20% in the Country.**

The chart and table outline the Council's position, demonstrating that in almost every service the Council has some of the lowest costs in the sector

.

Service Area	Pboro Current Budget	Pboro at National Avg Budget
Education (exc. schools)	10	14
Adults' Social Care	53	61
Children's Social Care	45	44
Public Health	11	14
Highways & Transport	4	6
Housing (General Fund)	8	7
Cultural & Related Services	5	7
Environmental & Regulatory Services	13	16
Planning & Development Services	4	3
Central Services	6	10
Total	**160**	**183**

The following points provide context as to what these rankings mean in terms of funding differences in local government:

- If the Council had funding up to the equivalent of national average it would equate to an **improvement of £23m** for the Council's budget.
- If the Council had total resources equivalent to the expenditure level at the 60th percentile, this would give the Council an overall budget of £192m, a **£32m improvement** on the current level.
- Furthermore, if it had resources equivalent to that of the 80th percentile the Council could have had an overall budget of £228m, which equates to **£68m improvement**.

10.4

Capital

Servicing the capital programme accounts for a nearly 20% of the Council's revenue budget. As a growing city, capital expenditure is vital to the provision of many Council services and this includes:

- Schools and Education, including a University - to enhance skills attainment
- Infrastructure - to support housebuilding, to attract businesses and new investment
- Regeneration - to keep the local economy thriving, encourage a productive labour market and to keep poverty low.

The cost of capital financing is the cumulative position of past capital investment decisions. When these decisions were made, they were done so with a long-term vision based on the financial and operational circumstances at the time. These decisions have been affected by recent factors including the years of austerity, the removal of funding schemes such as building schools for the future, and the introduction of new policies and strategies such as right to buy.

The Council has a significantly reduced resource base to fund services but at the same time has a requirement to continue investing in services and the regeneration of the City, in addition to carrying the cost of financing from previous years. The Council has rigorously reviewed the Capital Programme and reduced its expenditure where safe and possible, however decisions taken in previous years place a burden on the budget. There is minimal flexibility to reduce these costs making it difficult to deliver savings in the short-term - a high cost of debt reduces the Council's financial resilience.

11.0 OTHER FINANCIAL REPORTING REQUIREMENTS

11.1 Value for Money – Qualified Conclusion

At Audit Committee held on 25 January, and update to the Audit results report for the year to 31 March 2020, was presented by the Council's external auditors, Ernst and Young (EY). The report outlines a qualified conclusion in respect of the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources. The following paragraphs are an extract from this report:

*"**Whilst we have found that the Authority has responded appropriately to its deteriorating financial position**, we have **serious concerns about the Authority's current and future financial resilience** and ability to remain viable following the C-19 outbreak. **Without a comprehensive package of additional government funding support or a significant unplanned reduction in services**, the Authority's weak financial resilience has a pervasive and fundamental impact on the Council's ability to put in place the appropriate arrangements to secure Value for Money in its use of resources."*

11.2 Going Concern – Statement of Accounts

In response to the strain C-19 has put on Local Government finances, external auditors have requested Local Authorities to incorporate a 'going concern' statement within their Statement of Accounts (SoA). The Council's auditors, EY have requested the inclusion of this disclosure within the SoA for 2019/20 reflecting the Council's challenging financial position.

The concept of 'going concern' assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of 'going concern' reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a 'going concern' basis of accounting. However, if an authority were in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a 'going concern' basis.

Providing a statement on the 'going concern' status of the authority is made challenging due to the uncertainty surrounding the levels of government funding beyond 2020/21. The annual audit letter and final SoA's were issued in advance of the Audit Committee meeting on 16 November, which was in advance of the Local Government Finance Settlement announcement 2021/22. Therefore, this statement has been based on current funding levels at the end of October 2020, and will not materially change following the more recent funding announcements.

11.3 Financial Management Code

The Chartered Institute of Public Finance and Accountancy (CIPFA) published the Financial Management Code (FM Code) in October 2019. The FM Code provides guidance for good and sustainable financial management in local authorities, giving assurance that authorities are managing resources effectively. The FM Code introduces a framework of assurance, which is built on existing successful practices and sets explicit standards of financial management.

Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance (section 151) officer and their professional colleagues in the leadership team. The first full year of compliance will be 2021/22. The FM Code establishes an approach based on six principles of good financial management, which are:

1. **Organisational Leadership** demonstrating a **clear strategic direction** based on a vision in which financial management is embedded into organisational culture.
2. **Accountability** based on medium term financial planning, driving the annual budget process, supported by effective risk management, quality supporting data and whole life costs.
3. **Transparency** at the core of financial management, using consistent, meaningful and understandable data, reported frequently, with evidence of periodic officer action and elected member decision making.
4. **Professional Standards** promoted by the leadership team, with adherence evidenced.
5. **Assurance** recognised as an effective tool, mainstreamed into financial management, including political scrutiny and the results of both external audit, internal audit and inspection.
6. **Long-Term Sustainability** at the heart of all local services' financial management processes, evidenced by the prudent use of public resources.

The Council's Finance Team is in the process of reviewing processes, procedures and governance arrangements, to understand where the Council is compliant with the FM Code and to identify any areas of improvement and enhancement. A register has been established to monitor and report on the Council's compliance and actions

A report (appendix) went to Cabinet on 30 November which contains further details on the FM Code. It is expected that the results of this assessment and an action plan will be reported to the Cabinet in no later than summer 2021.

12.0 CONSULTATION

12.1 Cabinet have presented the budget proposals in a meeting with the Cross-Party Budget Working Group on the 5 February to seek views, including the opportunity to make alternative suggestions.

There will be no formal public consultation for this Tranche of the budget, due to the nature of the proposals, as there is no impact on service users. Section 14 gives more details about consultation requirements.

13.0 ANTICIPATED OUTCOMES OR IMPACT

13.1 The release of Phase Two of the 2021/22 MTFS, outlines budget proposals to address the financial gap and the financial challenges facing the Council as a result of years of austerity measures and C-19 pandemic.

The Council must legally set a balanced budget for 2021/22 within the financial resources it will have next year. Cabinet will review the proposals and the MTFS at this meeting on 23 February 2021, before making a final recommendation to Council on 3 March 2021.

14.0 REASON FOR THE RECOMMENDATION

14.1 The Council must set a lawful and balanced budget. The approach outlined in this report work towards this requirement.

15 ALTERNATIVE OPTIONS CONSIDERED

15.1 No alternative option has been considered as the Cabinet is responsible under the constitution for initiating budget proposals and the Council is statutorily obliged to set a lawful and balanced budget by 11 March annually.

16.0 IMPLICATIONS

Elected Members

16.1 Members must have regard to the advice of the Chief Financial (Section 151) Officer. The Council may take decisions which are at variance with this advice, providing there are reasonable grounds to do so.

16.2 Section 106 of the Local Government Finance Act 1992 applies whereby it is an offence for any Members with arrears of council tax which have been outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made, unless the Members concerned declare at the outset of the meeting they are in arrears and will not be voting on the decision for that reason.

Legal Implications

16.3 In terms of the Council's executive arrangements, the adoption of the Council's Budget is a role shared between the Cabinet and the Council, whereby the Cabinet (Leader) is responsible for formulating the budget proposals and full Council is responsible for then approving (or not) those proposals and setting the budget and council tax requirement.

16.4 For the remainder of the year, the principal purpose of the Budget is to set the upper limits of what the executive (Leader, Cabinet or officer under delegated executive authority) may decide to spend the Council's resources on. The Council cannot through the budget overrule an executive decision as to how to spend money, but the Budget will require the Cabinet to exercise their responsibilities for decision making so as not to make a decision where they are 'minded to determine the matter contrary to, or not wholly in accordance with the authorities' budget'. This means that a decision that leads to excess expenditure, a virement from one budget heading to another over the amount allowed by Council in the Budget Book or expenditure of unexpected new money outside the Budget is required to have approval of the Council before the Leader and the Cabinet can make that decision.

16.5 When it comes to making its decision on 3 March 2021, the Council is under a legal duty to meet the full requirements of Section 31A of the Local Government Finance Act 1992 which includes the obligation to produce a balanced budget.

16.6 The principle of fairness applies to consultation on the budget proposals, both consultations required under s65 of the Local Government Finance Act 1992 and more generally as proposed here, which operates as a set of rules of law. These rules are that:

- Consultation must be at a time when proposals are still at a formative stage
- The proposer must give sufficient reasons for any proposal to permit intelligent consideration and response
- Adequate time must be given for consideration and response and
- The product of consultation must be conscientiously considered in finalising any statutory proposals.

16.7 Added to which are two further principles that allow for variation in the form of consultation which are:

- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and
- The demands of fairness are likely to be somewhat higher when an authority contemplates depriving someone of an existing benefit or advantage than when the claimant is a bare application for a future benefit.

16.8 It should be noted that a public consultation would not be undertaken for Tranche Two due to the nature of the proposals, as there is no impact on service users.

16.9 By virtue of section 25, Local Government Act 2003, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (CFO), as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

Where the CFO makes a judgement that the council is unable to set or achieve a balanced budget, or there is an imminent prospect of this they have a responsibility to issue a section 114 notice (s114) of the Local Government Act 1988.

Once a s114 notice has been served the council has 21 days to meet and consider the report. During these 21 days the council must not incur any new expenditure unless the CFO has specifically authorised the spend.

This suspension of spending will trigger external scrutiny from the council’s auditors. However, failure to act when necessary could result in the council losing its financial independence with its powers potentially passed to commissioners appointed by government.

Modifications to the Guidance

In June 2020, the Chartered Institute of Public Finance and Accountancy (CIPFA) confirmed amendments to the guidelines in wake of the C-19 pandemic to allow Councils under budgetary pressure as a result of the pandemic time and space to explore alternatives to freezing spending via issuing a s114 notice.

The temporary modifications to guidance proposed by CIPFA would mean that it should not normally be necessary for a s114 notice to be issued while informal discussions with government are in progress. The modifications include the following two additional steps:

- At the earliest possible stage, a CFO should make informal confidential contact with MHCLG to advise of financial concerns and a possible forthcoming s114 requirement.
- The CFO should communicate the potential unbalanced budget position due to C-19 to MHCLG at the same time as providing a potential a s114 scenario report to the Cabinet and the external auditor.

16.10 **Human Resources**

In order to deliver Phase Two of the budget, it is anticipated that there will be less than 5 FTE reductions. It is always the aim of the Council to try and minimise compulsory redundancies and the impact on our service delivery. This will be achieved, wherever possible, by seeking redeployment opportunities, the deletion of vacant posts, restrictions on recruitment (considering service delivery), natural wastage / turnover and reducing or eliminating overtime, (providing service delivery is not compromised). Where staff are affected, the Council will seek voluntary redundancies as appropriate to minimise compulsory redundancies and where this is unavoidable, appropriate outplacement support will be considered.

16.11 **Equality Impact Assessments**

All budget proposals published in Phase Two of the budget process have been considered with regards to equalities issues. There are no equalities implications arising from the recommendations in the report.

16.12 **Carbon Impact Assessments**

All budget proposals published in Phase Two of the budget process have been considered with regards to the carbon impact and where appropriate carbon impact assessments have been completed. These have been included within Appendix J – Carbon Impact Assessments.

17.0 BACKGROUND DOCUMENTS

17.1 Medium Term Financial Strategy- 2020/21- 2022/23
Budget Setting Process: (Item 9a, Cabinet Report, Appendix A)
COVID-19 Financial Update: 11 May Cabinet, Item 5
Final Outturn Position20219/20: 22 June 2020 Cabinet, Item 6
Budgetary Control Report April 2020: 22 June 2020 Cabinet, Item 8
Budgetary Control Report May 2020: 13 June 2020 Cabinet, Item 6
Budgetary Control Report July 2020: 21 September 2020 Cabinet, Item 8
Budget Setting Process: (Item 9a, Cabinet Report, Appendix A)
COVID-19 Financial Update: 11 May Cabinet, Item 5
Final Outturn Position20219/20: 22 June 2020 Cabinet, Item 6
Budgetary Control Report April 2020: 22 June 2020 Cabinet, Item 8
Budgetary Control Report May 2020: 13 June 2020 Cabinet, Item 6
Budgetary Control Report July 2020: 21 September 2020 Cabinet, Item 8
Budgetary Control Report August 2020 – 26 October 2020 Cabinet, Item 5
Budgetary Control Report October 2020: 30 November 2020 Cabinet, Item 8
Medium Term Financial Strategy 2021/22 TO 2023/24 - PHASE ONE: 30 November 2020 Cabinet, Item 6
Budgetary Control Report November 2020- 18 January 2021 Cabinet Item 6
Council Tax Base and Collection Fund Cabinet Report , Appendix A, Supplementary Report
Budgetary Control Report December 2020- 23 February 2021 Cabinet

18.0 APPENDICES

18.1
- Appendix A – 2021/22-2023/24 MTFS Detailed Budget Position Phase Two
- Appendix B – Budget Proposal Detail
- Appendix C – Phase one and Phase Two Budget Proposal Summary
- Appendix D – Grant Register
- Appendix E – Council Tax Information
- Appendix F – Fees and Charges
- Appendix G – Capital Programme Schemes 2021/22-2023/24
- Appendix H – Financial Risk Register
- Appendix I – Carbon Impact Assessments
- Appendix J – Treasury Management Strategy
- Appendix K – Capital Strategy
- Appendix L – Asset Management Plan