

Budget and
Medium Term Plan
2013/2014

Contents

Council Tax Summary 2013/14	5
How the money is spent	6
Medium Term Plan 2013/14 Budget and Associated Matters	
Report to Council 20 February 2013	7
Report to Cabinet 14 February 2013	8
Annex A - Position in December Update Report	16
Annex B - Proposed Risk Provision	17
Annex C - Other Potential Risks	18
Annex D - Proposed Budget and MTP	19
Annex E - Controllable costs by Head of Service	20
Annex F - Budget by Service Area including recharges	22
Annex G - Managing Director's statement on robustness of budget and adequacy of reserves	27
Annex H - Inflation and interest rate assumptions	30
Final Budget 2013/14	31
Capital Programme	47
Formal Council Tax Resolutions 2013/14	51
Treasury Management Policy and Strategy and Prudential Indicators	58
Code of Financial Management	77
Code of Procurement	94

Council Tax Summary 2013/14

	<i>Total £000</i>	<i>Band D equivalent £</i>
Huntingdonshire District Council		
	22,764	403.93
less	(2,253)	(37.76)
	20,511	366.17
add	(76)	(1.35)
	20,435	364.82
Financed by		
less	(6,019)	(106.80)
less	(4,004)	(71.05)
less	(2,906)	(53.80)
	7,506	133.18
	4,649	82.48
	12,155	215.66
add	61,998	1,100.07
	10,028	177.93
	3,621	64.26
	87,802	1,557.92
Council Tax	87,802	1,557.92

Comparison with 2012/13	2012/13 £	2013/14 £	increase %
Huntingdonshire District Council	128.51	133.18	3.63%
Parishes	78.30	82.48	5.34%
	206.81	215.66	4.28%
Cambridgeshire County Council	1,078.65	1,100.07	1.99%
Police Authority	174.51	177.93	1.96%
Fire Authority	59.31	64.26	8.35%
Total	1,519.28	1,557.92	2.54%

How the money is spent

		£000	£000	£000
Expenditure	Employees			
	Pay (including national insurance and pensions)	23,521		
	Other	1,507	25,028	
	Buildings			
	Maintenance, cleaning and security	849		
	Energy	875		
	Rates	1,056		
	Other	705	3,485	
	Supplies and services			
	Supplies	2,779		
	Services	4,743	7,522	
	Transport			1,932
	Benefit payments			
	Housing	35,784		
	Council Tax	17	35,801	
Grants			1,475	
Drainage Precepts			390	
Net interest received and cost of borrowing			1,517	
Other expenditure			476	
	GROSS EXPENDITURE			77,626
Income	Sales, fees and charges		(17,262)	
	Benefit grants		(35,428)	
	Other grants		(1,308)	(53,998)
	GROSS INCOME			
Recharges	Internal recharges to non-revenue accounts			(864)
NET EXPENDITURE				22,764

Medium Term Plan, 2013/14 Budget and Associated Matters

Report to Council 20th February 2013

Report by the Head of Financial Services

1. PURPOSE

- 1.1 The purpose of this report is to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the MTP, the 2013/14 budget and associated matters.
- 1.2 It also seeks Council's formal determination of the Council Tax for 2013/14.

2. BACKGROUND

- 2.1 On 14th February the Cabinet will discuss a report on the MTP and the 2013/14 budget (copy attached as Appendix A). They will take into account the comments from the Overview and Scrutiny Panel (Economic Well-Being) meeting (7th February) and the consultation meeting with members of the local business community (8th February).
- 2.2 The Cabinet will also consider an associated report on the Council's Treasury Management Strategy for 2013/14 which is attached as Appendix B.
- 2.3 The Cabinet also considered an Update Note which made adjustments to reflect the Government's decision on Specific and Supplementary Grants. This includes a revised Annex D to the MTP/Budget Report and a revised borrowing table for the Treasury Management Strategy. This is attached as Appendix C.
- 2.4 The Cabinet's recommendations on both reports will be circulated as soon as they are available.
- 2.5 The formal resolution for approving the Council Tax will consist of two parts (Appendix D). The first will provide specific figures relating to this Council's income and expenditure.
- 2.6 The second part will contain two tables. The first will show the Council Tax that each council or authority is setting for 2013/14 for each property valuation band. The second table will aggregate these for each parish or town in the District so that the total Council Tax can be identified.
- 2.7 These tables will be based on the assumption that the Cabinet, and subsequently the Council, will support the proposals in the budget report for the increase in Huntingdonshire's Council Tax for 2013/14.
- 2.8 Some of the Parish Precepts have been delayed this year due to the changes in Taxbase resulting from the new Council Tax Support system. Appendix D will therefore be circulated separately as soon as it is available.

3. DECISIONS

In the light of the Cabinet's recommendations, the Council is invited to -

- approve the proposed Budget, MTP and Financial Plan;
- approve the Treasury Management Strategy and Prudential Indicators; and
- approve the Band D Council Tax of £133.18 for 2013/14 and the formal resolutions shown in Appendix D.

BACKGROUND PAPERS

Working Papers - Files in Financial Services

Contact Officer: Steve Couper, Head of Financial Services - Tel: 01480 388103

Report to Cabinet 14th February 2013

BUDGET 2013/14 AND MEDIUM TERM PLAN 2014 to 2018

(Report by the Head of Financial Services)

1 PURPOSE

1.1 The purpose of this report is to allow the Cabinet to make its recommendations to Council on 20 February on the Council's Budget, Medium Term Plan and Council Tax level for 2013/14.

2 BACKGROUND

2.1 The Budget Update Report in December gave the following position (further detail at Annex A):

December Update	Forecast	Budget	MTP			
	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Remaining revenue reserves EOY	10,902	8,404	6,495	5,373	5,373	5,373
COUNCIL TAX LEVEL	£128.51	£131.08	£135.67	£140.42	£145.33	£150.42
% increase	3.50%	2.00%	3.50%	3.50%	3.50%	3.50%
£ increase	£4.34	£2.57	£4.59	£4.75	£4.91	£5.09
Unidentified Spending Adjustments still required	0	0	-1,114	-1,079	-1,261	-1,201

2.2 This was based on the Government's announcement that only Council Tax increases of over 2% would be regarded as excessive.

2.3 The report also stressed the point that the Government's funding announcement had not been received and this could have a significant impact on the Council's position.

3 GOVERNMENT FUNDING CONSULTATION

3.1 The key points were:

- Grant of 1% for two years for any Council not increasing its Council Tax in 2013/14
- Increases of more than 2% would be regarded as excessive unless the authority is a District Council (in a two tier area) with a Council Tax level in the bottom 25% when the increase can be up to £5. (HDC is in the bottom 13%). It is only if an increase exceeds these limits that the Government requires local people to support it in a referendum.
- A reduction in the levy that the Council would have to pay before increases in retained Business Rates could be retained. This means the Council will receive 20% (was 8%) of any overall gain but have to meet 40% (was 39%) of any loss.
- The combination of Revenue Support Grant (RSG) and retained business rates for 2013/14 is fairly close to the December report assumptions after including the relevant parts of the risk contingency.
- The figures for 2014/15 were also announced and showed a 24% reduction in RSG which is a significantly greater reduction than had been forecast.

- The consultation runs to 15 January and the results had not been published at the date of completing this report (25 January).

3.2 The position after 2014/15 has been reviewed and, based on the Local Government Association's interpretation of Government announcements, could result in grant reductions of 7.5% per year for the following 4 years. Some Finance Officers in other authorities are assuming even higher reductions.

3.3 An additional complexity has subsequently emerged as the Council was informed on the 24 January that in order to demonstrate that any increase in Council Tax is within the Government's limits an artificial tax level for 2012/13 has been created (called the Alternative Notional Amount or ANA). Adding £5 to the ANA means that our maximum increase in Council Tax for 2013/14 is not £5 but £4.67 for a Band D property. The consultation on the ANA runs until 31 January and it is not known when the definitive figures will be published.

3.4 To simplify this report an assumption on Council Tax rises has been made: £4.67 per year for 2 years and then reverting to the Council's current plan of 3.5% per year. Section 7 of this report gives members the opportunity to consider the impact of alternative levels of increase. On this assumption the table below shows the impact of the changes in funding:

FUNDING	REVENUE					
	Forecast	Budget	MTP			
	2012 2013 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000
Variations (-ve is LOSS of funding)						
New Homes Bonus		-4	-286	-490	-317	+146
Special Council Tax Grant 2011/12		-184	-184	0	0	0
Formula Grant (RSG)		-3,216	-4,030	-4,591	-5,131	-5,653
Retained Business Rates		+4,004	+4,127	+4,230	+4,336	+4,444
Collection Fund Surplus		+76	0	0	0	0
Council Tax		-450	-419	-362	-281	-197
Total Variations	0	+227	-793	-1,213	-1,393	-1,260

3.5 The reductions in Council Tax funding result from the reduction in the tax base due to the new treatment of Council Tax support (replacing Council Tax Benefits) from April. The "compensating" grant is now included within RSG.

3.6 The apparent increase in funding in 2013/14 is offset by the payment of a grant to Town and Parish Councils, to offset the impact of their loss of Tax base, and the rolling into RSG of the Homelessness Grant. Both of these items are shown in the spending variations.

4 CHANGES SINCE THE DRAFT BUDGET – SPENDING AND RISK PROVISION

4.1 The table below shows the changes in spending since the December Update Report (which provided details of all the spending variations already proposed) and how the changes in the use of reserves and the required level of unidentified savings balance this with the change in Funding:

SPENDING VARIATIONS	REVENUE					
	Forecast	Budget	MTP			
	2012	2013	2014	2015	2016	2017
	2013	2014	2015	2016	2017	2018
(+Ve = extra cost)	£000	£000	£000	£000	£000	£000
Car Parking - reduced income target	41	145	198	465	497	656
Grants to Local Councils re Tax base	0	357	357	357	357	357
Remove Homelessness Grant (now in RSG)	0	85	85	0	0	0
Risk Provision						
Remove provision for grant reductions in 2013/14	0	-184	-184	-184	-184	-184
Adjust Grant reduction re New Homes Bonus	0	-214	-318	-324	-330	-330
Remove Provision for Business Rates Growth	0	0	86	177	272	372
Adjust Provision for lower completions of New Homes	0	0	-35	-49	-24	90
Adjust Provision for Demographic Growth	0	0	-11	-23	-45	-76
Reduce Provision for non-achievement of Car Park charges	0	-30	-40	-130	-140	-180
Create Provision for Homelessness	0	0	100	100	100	100
Create Provision for Council Tax limitations	0	0	38	88	177	275
Create Provision for A14 Funding Contribution	0	0	0	0	200	200
Other items						
Reorganisation of Senior Managers	40	-53	-103	-103	-103	-103
Remove Collection Fund adjustment (technical)	0	-31	-31	-31	-31	-31
Interest	0	50	50	51	54	56
Adjust Forecast 2012/13	-252	0	0	0	0	0
Schemes B/F and C/F	351	0	0	0	0	0
Revenue Inflation @@	-74	-143	-423	-493	-767	-1,027
Roundings	0	1	0	-1	0	1
Spending Variation	+106	-17	-231	-100	+33	+176
PLUS Use of reserves Variation (-ve = more used)	-106	244	-175	-336	0	0
PLUS Unidentified Savings Variation (-ve = higher requirement)	0	0	-387	-778	-1,426	-1,436
EQUALS Funding Variation	0	+227	-793	-1,213	-1,393	-1,260

@@ Includes lower provision re utilities, inclusion of 10% car parking charges increase for April 2016 and adjustment to bring unidentified savings to 2013/14 prices. Annex H shows inflation and interest rate assumptions.

5 RISK PROVISION

5.1 The Risk Provision after these latest adjustments totals:

RISK PROVISION	2013	2014	2015	2016	2017
	2014	2015	2016	2017	2018
	£000	£000	£000	£000	£000
Proposed Risk Provision (details in Annex B)	340	1,078	1,598	2,567	3,085

5.2 This provision is included in the proposed budget and is detailed in Annex B. The Annex also shows illustrations of the impact of some additional items together with the extra cost if these all occurred.

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

6. PROGRESS SINCE DECEMBER – FUNDING AND OTHER ITEMS

6.1 The Table below shows the proposed budget and MTP with a more detailed table provided in Annex D.

PROPOSED BUDGET/MTP	Forecast	Budget	MTP			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000
2012/13 BUDGET/MTP	21,722	22,299	22,842	23,611	24,365	25,363
Proposed variations \$\$	306	465	-644	-856	-1,319	-1,136
NEW FORECAST	22,028	22,764	22,198	22,755	23,046	24,227
FUNDING						
Use of revenue reserves	-2,853	-2,254	-2,084	-1,458	0	0
Remaining revenue reserves EOY	10,796	8,542	6,458	5,000	5,000	5,000
New Homes Grant	-1,913	-2,905	-3,505	-4,489	-5,964	-6,832
Special Council Tax Grant 2011/12	-184					
Formula Grant (RSG)	-9,288	-6,019	-4,600	-4,255	-3,936	-3,641
Retained Business Rates	0	-4,004	-4,127	-4,230	-4,336	-4,444
Collection Fund Deficit	-63	-76				
Council Tax	-7,727	-7,506	-7,882	-8,323	-8,810	-9,311
COUNCIL TAX LEVEL	£128.51	£133.18	£137.85	£142.67	£147.67	£152.84
% increase	3.50%	3.63%	3.51%	3.50%	3.50%	3.50%
£ increase	£4.34	£4.67	£4.67	£4.82	£4.99	£5.17
Unidentified Spending Adjustments still required	0	0	-1,500	-1,856	-2,687	-2,637

\$\$ December update report plus items in Para. 4.1 above

6.2 Annex E provides the controllable budgets by Head of Service and Annex F shows total cost

by Service area. A colour coding is used in Annex E to denote those service developments that require further approval before they can commence.

6.3 The Proposed MTP is based on capitalising all expenditure that is permitted by Government regulation. This ensures that the cost of providing an asset is spread over the taxpayers who benefit from it during its useful life. Overview and Scrutiny (Economic Wellbeing) has proposed that consideration should be given to funding shorter life assets from revenue. The implications of this will be examined post-budget to see if any net benefit would compensate for the transition costs.

7 COUNCIL TAX INCREASES

- 7.1 Huntingdonshire continues to have a very low level of Council Tax. In the current year the Council's £128.51 charge (Band D) was 25th lowest of the 201 District Councils which have an average of £166 and a maximum of £310. About two-thirds of Huntingdonshire's properties are in Bands A to C and so have a lower Tax level.
- 7.2 The Government are encouraging authorities not to increase Council Tax for 2013/14 with the offer of a special grant equivalent to 1% of 2012/13 Council Tax income for two years.
- 7.3 Most Councils can only increase their Council Tax by 2% without positive referendum support. However the Government have recognised that low taxing Councils, like Huntingdonshire, have significant problems and are allowing those with the lowest 20% of tax levels to theoretically increase their tax level by £5 (approximately 3.9%).
- 7.4 Paragraph 3.3 above explained the issue that results in the £5 increase not being achievable in Huntingdonshire and early indications suggest that, if the proposed calculation is retained, many authorities will be unable to increase their Council Tax by the headlined £5 or 2%.
- 7.4 The table below shows the impact in terms of extra service savings that would have to be found if various other options on Council Tax increases were taken:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
BASE OPTION					
Council Tax Increase	£4.67	£4.67	3.5%	3.5%	3.5%
OPTION 1	3.5%	3.5%	3.5%	3.5%	3.5%
EXTRA SAVINGS	10	11	12	12	12
OPTION 2	2%	2%	2%	2%	2%
EXTRA SAVINGS	118	238	368	511	667
OPTION 3 \$	0	0	0	0	0
EXTRA SAVINGS	186	458	827	1,143	1,482
OPTION 4 \$	0	£4.67	3.5%	3.5%	3.5%
EXTRA SAVINGS	186	190	282	299	315

\$\$ December update report plus items in Para. 4.1

8 8. RESERVES AND THE ROBUSTNESS OF THE 2012/13 BUDGET

- 8.1 The Overview and Scrutiny (Economic well-being) Panel carried out a review on Revenue Reserves last year and concluded that the 2012/13 level (£4.5M) was adequate but that the position should be reviewed each year.
- 8.2 The Local Government Act 2003 requires the Managing Director (Resources), as the Council's Chief Financial Officer, to report to the Council on the robustness of the estimates and the adequacy of reserves when it considers its budget and the consequent Council Tax. His comments are contained in Annex G and confirm that the budget is adequately robust and that, in his view, the level of revenue reserves is currently above the minimum level required.

9 CONSULTATION AND COMMENTS

- 9.1 This report will be considered at a meeting of the Overview and Scrutiny (Economic Wellbeing) Panel on the 7 February and a consultation meeting with members of the business community on 8 February. Comments from both meetings will be reported to Cabinet.

10. PRUDENTIAL CODE

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

11. CONCLUSIONS

- 11.1 The Update Report in December included all the spending variations identified at that time. Members may wish to bring this to the meeting with them (pages 11 to 42 of the December Council Book).
- 11.2 A number of adjustments have subsequently been made. The most significant ones relate to:
- Transferring the part of the previous Car Parking savings target, for which there are not yet definite proposals, to Unidentified Savings.
 - Providing grants to Town and Parish Councils to protect them from losing funding as a result of the Government's new approach to dealing with Council Tax Support (previously Council Tax Benefits).
 - Adjustments to the Risk Provision – some as a result of the Government's Funding Announcement
 - Lower funding levels – Government Grant plus retained Business Rates.
- 11.3 Although generally anticipated, this Council's Government "grants" (including the permitted retention of business rates) fell by 5.1%. The Government have recognised the immense difficulties this creates for low taxing Councils such as Huntingdonshire and so are allowing them to raise their Council by £5 (currently technically limited to £4.67)

without it being regarded as excessive and so requiring referendum support.

- 11.4 The Council is faced with finding further savings of £1.5M in 2014/15 rising to £2.6M in 2017/18 which will require difficult decisions over the coming months. Section 7 shows the extra savings required for lower levels of Council Tax increase which would require up to a further £1.5M of savings. About 2/3rds of properties are below Band D and so their Tax increase would be proportionately lower than the Band D figures quoted.
- 11.5 The Council still faces a challenge of minimising tax levels whilst maintaining the range and quality of services that local people expect and need. In the difficult financial situation the Council faces it is recommended that a Council Tax rise of £4.67 is approved and that the planning assumption for future years be £4.67 in 2014/15 and then 3.5% per year.
- 11.6 It is important that the identification of savings items is concluded in sufficient time for the £1.5M savings target for 2014/15 to be delivered.
- 11.7 The Council's Chief Financial Officer considers that the budget for 2013/14 is sufficiently robust and that there are adequate reserves.

12. RECOMMENDATIONS

Recommend to February Council:

- Approval of the proposed MTP, budget and Financial Plan (Annexs D to F)
- A £4.67 per year increase in the Council Tax for 2013/14 i.e. a Band D charge of £133.18.

ACCESS TO INFORMATION ACT 1985

Grant Settlement Information – Files in Financial Services

Working Papers - Files in Financial Services

Project Appraisals

2012/13 Revenue Budget and the 2013/17 MTP

Forecast Report

December 2012 Update Report

Contact Officer: Steve Couper

Head of Financial Services

Tel: 01480 388103

ANNEXS

- A Position in December Update Report
- B Proposed Risk Provision
- C Other Potential Risks
- D Proposed Budget and MTP
- E Controllable costs by Head of Service
- F Budget by Service Area including recharges
- G Managing Director's statement on robustness of budget and adequacy of reserves.
- H Inflation and interest rate assumptions

ANNEX C

Other Potential Risks

The most fundamental issue continues to be the economic impact of the various international financial issues. There are many conflicting views on the scale of the problems ahead for the UK and the eurozone. There may be further financial impacts on the UK and these could lead to:

- Lower income from planning fees, building control fees and leisure charges.
- Lower New Homes Bonus (10% provision)
- More applicants for housing and council tax benefit
- Higher homelessness costs (£100k provision from 2014/15)
- Reductions in Government Grant (some provision)

Other issues include:

- Delivery of the items contained in identified savings
- Identification and delivery of items to achieve the level of unidentified savings required in future years.
- Levels of pay awards, inflation and interest rates
- Results of Pay Review
- Ability to maintain income levels
- Impact of variations in retained Business Rates (possibly favourable)
- Change in Pension Fund contributions payable from April 2014 as a result of the three yearly revaluation (possibly favourable).
- Impact of changes to the benefits systems on homelessness levels and the ability to collect Council Tax.
- High priority service developments not already in the MTP and any unavoidable spending requirements (e.g. planning appeals)
- The potential for costs relating to "orphan" contaminated land sites
- Repayment of past land charge fees
- Low demand for sites in Huntingdon e.g. assumed sale of County land at California Road and plot fronting St. Mary's Street.

IMPACT OF EXPENDITURE CHANGES	Impact on saving requirement				
	13/14	14/15	15/16	16/17	17/18
	£M	£M	£M	£M	£M
Pay (1% higher award each year from 2014/15)		206	415	629	848
Expenditure excluding pay (1% higher inflation each year)	23	45	68	92	118
Interest Rates (1% higher level each year)	149	163	187	203	214
Pension Fund contributions (1% change from April 2014)		153	153	154	155

ANNEX D

Proposed Budget and MTP

PROPOSED BUDGET/MTP	Forecast	Budget	MTP			
	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
2012/13 BUDGET/MTP	21,722	22,299	22,842	23,611	24,365	25,363
Proposed variations	306	465	-644	-856	-1,319	-1,136
NEW FORECAST	22,028	22,764	22,198	22,755	23,046	24,227
FUNDING						
REVISED Use of revenue reserves	-2,853	-2,128	-1,984	-1,458	0	0
Remaining revenue reserves EOY	10,796	8,668	6,684	5,226	5,226	5,226
Special and Specific Grants		-126	-100			
New Homes Grant	-1,913	-2,905	-3,505	-4,489	-5,964	-6,832
Special Council Tax Grant 2011/12	-184					
Formula Grant (RSG)	-9,288	-6,019	-4,600	-4,255	-3,936	-3,641
Retained Business Rates	0	-4,004	-4,127	-4,230	-4,336	-4,444
Collection Fund Deficit	-63	-76				
Council Tax	-7,727	-7,506	-7,882	-8,323	-8,810	-9,311
COUNCIL TAX LEVEL	£128.51	£133.18	£137.85	£142.67	£147.67	£152.84
	% increase	3.50%	3.63%	3.51%	3.50%	3.50%
	£ increase	£4.34	£4.67	£4.67	£4.82	£5.17
Unidentified Spending Adjustments still required	0	0	-1,500	-1,856	-2,687	-2,637

Forecast Capital Spending	7,278	8,863	2,789	3,647	3,866	3,967
Permitted capital borrowing EOY net of MRP	28,056	35,514	36,550	38,077	39,564	40,761
Average net borrowing in year	12,821	22,361	28,777	31,830	34,066	35,407
Net Interest and Borrowing Costs						
- total	827	1,536	2,103	2,483	2,846	3,358
- as % of total net spending	4%	7%	9%	11%	12%	14%

ANNEX E

Controllable costs by Head of Service

	REVENUE							NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget			MTP				Budget			MTP				Budget			MTP			
	F'cast	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017		
Managing Directors and Corporate Office																					
2012/13 Budget and MTP	670	670	622	572	544	544	544														
VARIATION	-61	15	8	17	4	22	8														
PROPOSED 2013/14 Budget and MTP	670	609	637	580	561	548	566														
Head of Legal & Democratic Services																					
2012/13 Budget and MTP	1,806	1,806	1,710	1,770	1,744	1,744	1,671	140	140	109	11	253	85								
VARIATION	-47	-50	-16	-11	-16	-21	-21	-110	87	-232	154	83									
PROPOSED 2013/14 Budget and MTP	1,806	1,759	1,660	1,754	1,733	1,728	1,650	140	30	196	11	21	239	83							
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Head of Environmental and Community Services																					
2012/13 Budget and MTP	2,250	2,250	2,143	2,141	2,189	2,134	2,134	-15	-15												
VARIATION	-56	10	10	10	10	10	10	55	60												
PROPOSED 2013/14 Budget and MTP	2,250	2,194	2,153	2,151	2,199	2,144	2,144	-15	40	60											
Head of Operations																					
2012/13 Budget and MTP	4,168	4,168	3,981	3,977	3,774	3,736	3,736	1,015	1,015	1,275	1,143	1,409	780								
VARIATION	265	158	-35	73	110	108	5	701	456	3	-557	37	1,079								
PROPOSED 2013/14 Budget and MTP	4,168	4,433	4,139	3,942	3,847	3,846	3,844	1,015	1,716	1,731	1,146	852	817	1,079							
Head of Planning Services																					
2012/13 Budget and MTP	2,044	2,044	1,898	1,404	1,187	982	997	6,492	6,492	2,512	687	729	508	-474	5,801	5,801	1,691	1,142	1,100		
VARIATION	70	-22	187	206	205	5	5	-4,817	4,048	-207	671	892	1,824		-3,599	4,406	758	-700	-1,174		
PROPOSED 2013/14 Budget and MTP	2,044	2,114	1,876	1,591	1,393	1,187	1,002	6,492	1,675	6,560	480	1,400	1,350	5,801	2,202	6,097	1,900	400	400		
Head of Environmental Management																					
PROPOSED 2013/14 Budget and MTP	976	928	893	893	893	893	893	-900	-570	-420	50			900	575	420					
2012/13 Budget and MTP	2,589	2,589	2,522	2,516	2,511	2,472	2,472	-1,989	-1,989	-1,053	231	71	72	2,281	2,281	1,245					
VARIATION	-36	-24	-34	-34	1	1	1	1,640	-841	120	82	55	55	-1,706	1,206	498					
PROPOSED 2013/14 Budget and MTP	2,589	2,553	2,498	2,482	2,477	2,473	2,473	-1,989	-349	-1,894	351	153	127	55	2,281	575	2,451	498			

	REVENUE							NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget			MTP				Budget			MTP				Budget			MTP			
	F'cast	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017		
Head of Customer Services																					
2012/13 Budget and MTP	2,750	2,750	2,876	2,869	2,869	2,869	2,869	136	136												
VARIATION	-7	72	49	49	49	49	49	102													
PROPOSED 2013/14 Budget and MTP	2,750	2,743	2,948	2,918	2,918	2,918	2,918	136	238												
Head of IMD																					
2012/13 Budget and MTP	1,927	1,927	1,900	1,941	1,906	1,876	1,876	565	565	252	252	352	572								
VARIATION	-14	-6	-71	-71	-71	-91	-91	-90	306	75	-25	427									
PROPOSED 2013/14 Budget and MTP	1,927	1,913	1,894	1,870	1,835	1,805	1,785	565	475	558	327	327	572	427							
General Manager, One Leisure																					
2012/13 Budget and MTP	497	497	157	-90	-286	-279	-296	4,329	4,329	697	422	672	535								
VARIATION	102	111	-73	42	44	44	44	-981	852	-100	-100	-150	550								
PROPOSED 2013/14 Budget and MTP	497	599	268	-163	-244	-235	-252	4,329	3,348	1,549	322	572	385	550	250	53					
Head of Financial Services																					
2012/13 Budget and MTP	3,651	3,651	4,354	5,007	5,443	5,825	6,122	-15	-15					15	15						
VARIATION	-68	170	315	288	268	485	485														
PROPOSED 2013/14 Budget and MTP	3,651	3,583	4,524	5,322	5,731	6,093	6,607	-15	-15					15	15						
Non-Allocated Items																					
2012/13 Budget and MTP	-630	-630	136	735	1,730	2,462	3,238	112	112	198	223	414	315	3,231							
VARIATION	158	31	-984	-1,425	-1,923	-1,748	-1,748	-95	-71	-92	11	-2,808									
PROPOSED 2013/14 Budget and MTP	-630	-472	167	-249	305	539	1,490	112	112	103	152	322	326	423							
TOTAL BUDGET																					
2012/13 Budget and MTP	21,722	21,722	22,299	22,842	23,611	24,365	25,363	10,770	10,770	3,990	2,969	3,900	2,867	2,757	8,677	8,677	2,936	1,142	1,100		
VARIATION	306	465	-644	-856	-1,319	-1,136	-1,136	-3,492	4,873	-180	-253	999	1,210		-5,527	6,070	1,395	-621	-1,109		
PROPOSED 2013/14 Budget and MTP	21,722	22,028	22,764	22,198	22,755	23,046	24,227	10,770	7,278	8,863	2,789	3,647	3,866	3,967	8,677	3,150	9,006	2,537	479		

ANNEX F Budget by Service Area including recharges

SERVICE BUDGET SUMMARY	2012/13		2013/14
	Original	Forecast	Budget
	£'000	£'000	£'000
Environmental Services			
Refuse Collection	3,202	3,303	3,292
Recycling	283	261	300
Drainage & Sewers	667	575	832
Public Conveniences	57	51	54
Environmental Health	2,123	2,068	2,086
Closed Churchyards	6	6	6
Street Cleaning & Litter	1,388	1,339	1,393
	7,726	7,603	7,963
Planning			
Development Control	1,050	1,068	855
Building Control	108	172	82
Planning Policy & Conservation	1,228	1,583	1,233
Economic Development	-977	-761	-747
	1,409	2,062	1,423
Community Services			
Countryside	449	484	472
Community Initiatives	886	819	789
Parks	1,593	1,443	1,560
Leisure Policy	330	350	314
Leisure Centres	2,347	2,701	2,239
Community Facilities	21	39	22
	5,626	5,836	5,396
Community Safety			
Community Safety	404	430	393
	404	430	393
Housing Services			
Housing Services	905	836	826
Private Housing Support	2,384	1,468	2,213
Homelessness	758	873	967
Housing Benefits	1,266	1,267	1,289
	5,313	4,444	5,295
Highways & Transportation			
Transportation Strategy	402	382	788
Public Transport	221	206	219
Street Naming	145	122	142
Car Parks	-343	-206	-326
Environmental Improvements	347	344	349
	772	848	1172
Corporate Services			
Local Taxation & Benefits	1,217	1,192	1,351
Corporate Management	1,193	1,402	1,344
Democratic Services	1,436	1,293	1,347
Legal & Democratic Services	506	493	395
Non Distributed Costs	297	251	272
	4,649	4,631	4,709
Other Expenditure			
Contingency	-134	-27	225
Other Expenditure	-4,032	-3,796	-4,080
Investment Interest	-11	-3	268
	-4,177	-3,826	-3,587
Council Total	21,722	22,028	22,764

The Service based budget includes direct expenditure, the allocation of support costs and depreciation on assets.

This basis has to be used for statistical returns and statutory accounts.

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Environmental Services				
Refuse Collection	Abandoned Vehicles	37	34	34
	Domestic Refuse	3,173	3,288	3,268
	Trade Refuse	-8	-19	-10
		3,202	3,303	3,292
Recycling	Recycling	376	254	293
	Recycling Sites	-93	7	7
		283	261	300
Drainage & Sewers	Internal Drainage Boards	387	384	396
	Nightsoil Collection	11	7	11
	Watercourses	269	184	425
		667	575	832
Public Conveniences	Public Conveniences	57	51	54
		57	51	54
Environmental Health	Air Quality	127	113	121
	Animal Welfare	152	136	136
	Caravans And Camping	0	4	4
	Contaminated Land	108	146	137
	Health & Safety	205	179	178
	Energy Efficiency	404	411	430
	Environmental Health General	-18	-24	6
	Food Safety	486	510	509
	Health Promotion	43	38	28
	Licences	4	24	7
	Nuisances	291	240	240
	Pest Control	111	99	97
	Private Sector Housing	203	189	190
	Travellers	7	3	3
		2,123	2,068	2,086
Closed Churchyards	Closed Churchyards	6	6	6
		6	6	6
Street Cleaning & Litter	Littering	88	38	58
	Street Cleaning	1,300	1,301	1,335
		1,388	1,339	1,393
Environmental Services		7,726	7,603	7,963
Planning				
Development Management	Advice	605	574	571
	Application Processing	219	274	65
	Enforcement	226	220	219
		1,050	1,068	855
Building Control	Applications	-121	-26	-104
	Promotion & Enforcement	229	198	186
		108	172	82
Planning Policy & Conservation	A14 Inquiry	25	200	1
	Conservation & Listed Buildings	143	110	112
	Local Plan	672	882	762
	Planning Projects/Implementation	211	183	167
	Trees	177	208	191
		1,228	1,583	1,233

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Economic Development	Business & Enterprise Support	328	315	329
	Markets	-45	15	12
	NNDR Discretionary Relief	30	24	31
	Property Development and Management	-1,349	-1,136	-1,227
	Town Centre Management	59	21	108
		-977	-761	-747
	Planning	1,409	2,062	1,423
Community Services				
Countryside	Countryside Management	132	107	117
	Hinchingsbrooke Country Park	198	243	225
	Paxton Pits	102	91	86
	Miscellaneous Countryside Sites	17	43	44
		449	484	472
Community Initiatives	Community Projects	117	125	127
	Community Initiatives Management	344	233	240
	Equal Opportunities	57	92	99
	Miscellaneous Grants	368	369	323
		886	819	789
Parks	Parks & Open Spaces	1,526	1,386	1,492
	Pavillions	67	57	68
		1,593	1,443	1,560
Leisure Policy	Arts Development	17	14	14
	Leisure Development	313	336	300
		330	350	314
Leisure Centres	One Leisure Huntingdon	599	654	590
	One Leisure Ramsey	403	408	433
	One Leisure Sawtry	416	426	421
	One Leisure St Ives	500	722	438
	One Leisure St Neots	378	434	307
	Leisure Centres Overall	51	57	50
		2,347	2,701	2,239
Community Facilities	Priory Centre	21	39	22
		21	39	22
	Community Services	5,626	5,836	5,396
Community Safety				
Community Safety	C C T V	171	173	170
	Community Safety	233	257	223
		404	430	393
	Community Safety	404	430	393
Housing Services				
Housing Services	Choice Based Lettings	30	38	39
	Housing Advice	284	262	264
	Housing Strategy	149	114	114
	Waiting List	328	321	321
	Other Housing Services	114	101	88
		905	836	826

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Private Housing Support	Home Improvement Agency	67	25	22
	Housing Associations	160	275	273
	Housing Surveys	25	34	34
	Renovation/Improvement Grants	2,107	1,104	1,855
	Housing Support - Elderly	25	30	29
		2,384	1,468	2,213
Homelessness	Accommodation For Homeless	79	79	117
	Homelessness Management	404	476	576
	Homeless Prevention	169	234	180
	Hostel Support	106	84	94
		758	873	967
Housing Benefits	Housing Benefits Admin	1,402	1,277	1,248
	Rent Allowance Local Scheme	14	15	15
	Rent Allowance National Scheme	-293	-203	-157
	Temporary Accommodation Support	143	178	183
			1,266	1,267
	Housing Services	5,313	4,444	5,295
Highways & Transportation				
Transportation Strategy	Cycling	31	67	34
	Transportation Management	245	176	180
	Transport Schemes	126	139	574
		402	382	788
Public Transport	Bus Shelters	97	86	96
	Bus Stations	109	109	111
	Concessionary Fares	15	11	12
		221	206	219
Street Naming	Street Naming	145	122	142
		145	122	142
Car Parks	Car Park Assets	117	96	116
	Car Park Management	-442	-348	-490
	Car Park Policy	-18	46	48
		-343	-206	-326
Environmental Improvements	Management	102	100	105
	Schemes	245	244	244
		347	344	349
	Highways & Transportation	772	848	1,172
Corporate Services				
Local Taxation & Benefits	Council Tax	941	799	817
	Council Tax Benefits/Support	297	409	544
	NNDR Administration	-21	-16	-10
		1,217	1,192	1,351
Corporate Management	Chief Executive & Management Team	421	730	693
	External Audit	164	179	180
	Public Accountability	482	358	365
	Treasury Management	126	135	106
		1,193	1,402	1,344
Democratic Services	Corporate Committees	546	484	501
	Member Allowances & Support	890	809	846
		1,436	1,293	1,347

ANNEX G

Managing Director's statement on robustness of budget and adequacy of reserves

The Local Government Act 2003 requires me, as the Council's Chief Financial Officer, to report on the robustness of the 2013/4 budget and the adequacy of reserves to assist you in making your decisions on the Budget and the level of Council Tax.

Robustness

The Council has tended in recent years to underspend its budget. This demonstrates that it has budgeted prudently and that managers have taken a mature approach to budgetary control rather than simply spending any spare sums on low priority items. As budgets tighten the opportunity for such underspends diminish.

The Internal Audit and Risk Manager considers that our internal financial controls are working adequately. There is also a sound system of financial monitoring and identification of any necessary budget variations that feeds into the budget/MTP process.

The 2013/14 budget has been prepared using the budget for 2012/13 as a base, and amending it for known changes, particularly:

- Inflation including a 2% provision for the pay award that has already been approved. There will be no performance pay in 2013/14 except for some very limited and specific employees (e.g. therapists at Leisure Centres). Pay is by far the most significant inflation element and this prior agreement removes a major level of uncertainty.
- The impact of the 2011/12 outturn and forecast spending for 2012/13.
- Variations in existing and proposed new MTP schemes. A good proportion of these reflect savings rather than extra costs.
- Future interest rates.

There have been some proposals included in previous MTPs that included an element of challenge which has not always turned out to be achievable. I am satisfied that adjustments have been made to transfer those elements where there is no fair expectation or clear plan of achievement into the "Unidentified Savings" line to increase robustness.

There will always be some items that emerge after the budget has been prepared. These are normally met by compensating savings elsewhere in the budget, or, if necessary, the use of revenue reserves.

The most significant potential risks to the budget are:

- higher inflation but much limited because the pay award has been determined
- further reductions in income due to the recession
- non-achievement of planned savings but limited by the transfers to unidentified savings
- failure of a borrower
- an emergency (e.g. flooding)
- increased demands on housing services due to increased homelessness.

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Central Services	Elections	441	398	352
	Emergency Planning	92	88	89
	Land Charges	-27	7	-46
		506	493	395
Non Distributed Costs	Pensions	225	191	230
	ICT Services to Other Organisations	11	47	42
	Unused Capacity of Assets	61	13	0
		297	251	272
Corporate Services		4,649	4,631	4,709
Other Expenditure				
Contingency	Other Contingencies	-134	-27	225
		-134	-27	225
Other Expenditure	Capital Charges Reversed	-6,183	-5,244	-6,794
	Deferred Expenditure	0	-250	0
	Minimum Revenue Provision	906	824	1,255
	Items to be Allocated/Recharged to Services	320	-52	-58
	Pensions Lump Sum	896	896	1,139
	Grants to Parish/Town Councils	0	0	357
	Other Expenditure	29	30	21
		-4,032	-3,796	-4,080
Investment Interest	Interest	-11	-3	268
		-11	-3	268
Other Expenditure		-4,177	-3,826	-3,587
COUNCIL TOTAL		21,722	22,028	22,764

Reduced Income

A 1% loss of income from fees, rents, charges and recharges would amount to around £170k. In practice a number of these items are fixed for 2013/14 and the largest areas susceptible to variation are:

- Car Parks £1.9M
- Leisure Centres £7.1M
- Property £2.1M
- Planning and Building Control Fees £1.8M

Treasury Management

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

Emergencies

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

Inflation

A 1% increase in general inflation (excluding pay), assuming no compensating increase in fees and charges was possible, would result in a net cost of approximately £23k.

Interest Rates

An increase in interest rates of 1% would cost £149k.

Revenue Reserves

These are estimated to be £10.8m at April 2013 and reduce to £8.5m by March 2014 in order to support revenue spending. This is still significantly above what would be considered a safe minimum level when considering the 2013/14 budget in isolation but clearly not excessive given their planned use over the next few years.

Therefore, even if a number of unexpected additional costs emerged there would still be sufficient funding to cover the deficit for 2013/14.

Conclusion

Considering all these factors, I believe that the combination of a robust budget process and our current level of reserves should give Members no concerns over the Council's financial position for 2013/14.

However, it remains critical that:

- Effective progress is made in identifying how the Unidentified Savings for future years will be achieved and where practicable these are brought on-stream as soon as possible.
- That careful monitoring continues to take place recognising that there are certain key areas subject to volatility. These include income from fees and charges, homelessness and the level of housing completions that result in New Homes Bonus.
- The new areas of Council Tax Support and retained Business Rates will also require monitoring to ensure that the impact of any significant changes is promptly addressed.

Terry Parker

Managing Director (Resources)

ANNEX H

Inflation and interest rate assumptions

IMPACT OF EXPENDITURE CHANGES	for Apr 2013	for Apr 2014	for Apr 2015	for Apr 2016	for Apr 2017
Pay award	2.0%	2.0%	2.0%	2.0%	2.0%
Prices	2.5%	2.5%	2.5%	2.5%	2.5%
Electricity	0.7%	4.0%	3.8%	5.0%	5.0%
Gas	16.7%	0.0%	5.0%	9.6%	5.0%
Fuel	1.0%	5.0%	5.0%	5.0%	5.0%
Car park charges				10%	
Planning fees				10%	

INTEREST RATES	2013/	2014/	2015/	2016/	2017/
	2014	2015	2016	2017	2018
Temporary Borrowing	0.3%	0.4%	0.4%	0.76%	1.2%
Temporary Investments	0.7%	0.6%	0.6%	0.86%	1.3%
PWLB 20 year borrowing	3.63%	3.73%	3.80%	4.05%	4.30%

Final Budget 2013/14

Controllable Budget

The Controllable budget shows the total budget allocated to the Head of Service or, in a few cases, Managing Director responsible for managing and controlling the spending. There are some items in the Unallocated section that will be allocated once the budget is approved e.g. the inflation provision for 2013/14

The Controllable Budget is the fundamental focus for budgetary control within the authority. Bespoke formats are used when necessary e.g. pay-back on proposed projects, option choice, setting fees and charges.

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

KEY: Approval required by:

- Managing Director and then Cabinet**
- Head of Service following consultation with Managing Director and Executive Councillors for Service and Finance**
- Managing Director**
- Head of Service for any unshaded items**

Managing Directors and Corporate Office

	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget F'cast		Budget		MTP		Budget F'cast		Budget		MTP		Budget F'cast		Budget		MTP		
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	
Management Units																			
Managing Directors																			
	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363			
Planning																			
Economic Development																			
Town Centre Partnerships - reduced funding	-40	-40	-40	-40	-40	-40													
	110	110	110	110	110	110													
Corporate Services																			
Community initiatives																			
	37	37	37	37	37	37													
Corporate Management																			
	59	59	59	59	59	59													
Management Units																			
Non-Distributed Costs (historic pensions increase)																			
	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223			
Internal Services																			
Corporate Office MU																			
Back Office - Reorganisation (part)	-45	-165	-110	-110	-110	-110													
Corporate Office Saving	-11	-11	-11	-11	-11	-11													
	1,143	1,012	1,067	1,067	1,067	1,067	1,143	1,067	1,067	1,067	1,067	1,143	1,067	1,067	1,067	1,067			
HR & Payroll																			
Back Office - Reorganisation (part)	-5	-5	-5	-5	-5	-5													
Cover for Staff Side Representatives	50	50	50	25	25	25													
HR & Payroll Outsourcing	38	17	5	-8	-21	-3													
Pay Review	13	15																	
	301	352	333	281	268	255	301	352	333	281	268	255	301	352	333	281	268	255	273
Planning																			
Economic Development (Estates)																			
New Industrial Units	19	11	6																
Industrial Estate Repairs																			
	19	11	6				19	11	6										
	-1,566	-1,547	-1,555	-1,560	-1,566	-1,566	-1,566	-1,547	-1,555	-1,560	-1,566	-1,566	-1,566	-1,547	-1,555	-1,560	-1,566	-1,566	
2012/13 Budget and MTP	670	670	622	572	544	544	670	670	622	572	544	544	670	670	622	572	544	544	
VARIATION	-61	15	8	17	4	22	-61	15	8	17	4	22	-61	15	8	17	4	22	
PROPOSED 2013/14 Budget and MTP	670	609	637	580	561	566	670	609	637	580	561	566	670	609	637	580	561	566	

Head of Legal & Democratic Services

	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget F'cast		Budget		MTP		Budget F'cast		Budget		MTP		Budget F'cast		Budget		MTP		
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	
Environmental Services																			
Licensing - efficiency and higher charges	-7	-39	-54	-42	-42	-42													
	-281	-313	-328	-316	-316	-316													
Corporate Services																			
Democratic representation																			
Members Allowances Review				4															
Electoral Administration Act				-8	-3	-5													
District Council Elections - No elections every 4th year				-73	10	10													
Twinning				-2	-2	-2													
Overview & Scrutiny Panels				-6	-6	-6													
	507	499	418	510	504	499	507	499	418	510	504	499	507	499	418	510	504	499	421
Internal Services																			
Document Centre																			
Replacement Printing Equip.																			
Multi-functional Devices																			
Document Centre - efficiency and external work																			
Replacement Equipment Document Centre																			
	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70			
	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2			
	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70			
	208	208	208	208	208	208	208	208	208	208	208	208	208	208	208	208			
Management Units																			
Legal & Democratic Services																			
Back Office - Reorganisation (part)	-2	-2	-2	-2	-2	-2													
	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080			
2012/13 Budget and MTP	1,806	1,806	1,710	1,770	1,744	1,671	1,806	1,806	1,710	1,770	1,744	1,671	1,806	1,806	1,710	1,770	1,744	1,671	
VARIATION	-47	-50	-16	-11	-16	-21	-47	-50	-16	-11	-16	-21	-47	-50	-16	-11	-16	-21	
PROPOSED 2013/14 Budget and MTP	1,806	1,759	1,660	1,754	1,733	1,728	1,806	1,759	1,660	1,754	1,733	1,728	1,806	1,759	1,660	1,754	1,733	1,728	1,650

		REVENUE								NET CAPITAL								CAPITAL GRANTS AND CONTRIBUTIONS								
		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP		
		2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016
Head of Environmental and Community Services																										
Environmental Services																										
911	Environmental Health								55																	
927	House Condition Survey	-30	-36																		30	36				
	Air Quality Monitoring Equipment																									
	PROPOSED 2013/14 Budget and MTP	166	160	196	196	251	196	196												30	36					
Planning Policy & Conservation																										
953	Parish Planning								-7	-7	-7	-7														
	PROPOSED 2013/14 Budget and MTP	8	8	8	8	8	1	1																		
Community Services																										
992	Community initiatives																									
952	Ramsey Library Development																									
863	Loves Farm Community Centre																									
423	Community Facilities Grants	-51	-51	-106	-106	-106	-106	-106																		
	Community Information Project																			4						
	PROPOSED 2013/14 Budget and MTP	368	368	313	313	313	313	313												-45	4	60				
845	Sport and Active Lifestyles																									
	Physical Activity Initiatives for Adults																									
	PROPOSED 2013/14 Budget and MTP	202	202	195	193	193	193	193																		
Community safety																										
	PROPOSED 2013/14 Budget and MTP	32	32	32	32	32	32	32																		
Internal Services																										
#	Health and Safety																									
	Back Office - Reorganisation (part) - transfer of H&S																									
	PROPOSED 2013/14 Budget and MTP	33	33	33	33	33	33	33																		
Management Units																										
#	Environmental & Community Health MU																									
	Environmental & Community Health savings																									
	PROPOSED 2013/14 Budget and MTP	1,441	1,391	1,376	1,376	1,376	1,376	1,376																		
	2012/13 Budget and MTP	2,250	2,250	2,143	2,141	2,189	2,134	2,134																		
	VARIATION			-56	10	10	10	10																		
	PROPOSED 2013/14 Budget and MTP	2,250	2,194	2,153	2,151	2,199	2,144	2,144																		

		REVENUE								NET CAPITAL								CAPITAL GRANTS AND CONTRIBUTIONS								
		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP		
		2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016
Head of Operations																										
Environmental Services																										
969	Refuse collection & Recycling																									
948	Recycling Gate Fees	-147	-199	-138	-180	-275	-275	-275																		
979	Provision for Bin Replacements																									
#	Wheeled Bins for New Properties																									
650	Reduce refuse collection by one round																									
	Recycling Credits																									
	Charges for 2nd Green Bin	14	-24	-24	-24	-24	-24	-24																		
	Extra refuse round due to housing growth																									
	PROPOSED 2013/14 Budget and MTP	2,027	2,071	1,993	1,894	1,799	1,799	1,919																		
	Drainage and sewers																									
	PROPOSED 2013/14 Budget and MTP	11	11	11	11	11	11	11																		
Street cleaning and litter																										
	PROPOSED 2013/14 Budget and MTP	1,031	1,031	1,031	1,031	1,031	1,031	1,031																		
Markets																										
1013	Market income reduction																									
	PROPOSED 2013/14 Budget and MTP	-167	-110	-110	-110	-110	-110	-110																		
Community safety																										
865	CCTV - Camera replacements																									
1023	Wireless CCTV																									
	PROPOSED 2013/14 Budget and MTP	219	219	219	139	139	139	139																		
#	Countryside																									
1024	Countryside - reduce staff and increase income																									
	Paxton Pits Developer Contribution																									
	PROPOSED 2013/14 Budget and MTP	311	311	311	311	311	311	311																		

	REVENUE												NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget			F'cast			Budget			F'cast			Budget			F'cast			Budget			F'cast			
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	
Head of Operations (continued)																									
Parks																									
854 Play Equipment & Safety Surface Renewal	13	13	13	13	13	13	13	13	13	13	13	20	30	45	40	40	40	20	20	20	20	20	20	20	20
PROPOSED 2013/14 Budget and MTP																									
Highways & Transportation																									
# Car parks	-160	33	-174	-192	-192	-193	-193	-195	-195	-195	-195														
Increase in car park charges																									
PROPOSED 2013/14 Budget and MTP	-1,371	-1,178	-1,385	-1,403	-1,403	-1,404	-1,406	-1,406	-1,406	-1,406	-1,406														
Corporate Services																									
Central services (emergency planning)	32	32	32	32	32	32	32	32	32	32	32														
PROPOSED 2013/14 Budget and MTP																									
Management Units																									
Operations	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046														
PROPOSED 2013/14 Budget and MTP																									
Internal services																									
991 Grounds Maintenance	-29	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24														
Agency Worker Regulations	770	741	746	746	746	746	746	746	746	746	746														
PROPOSED 2013/14 Budget and MTP																									
886 Other internal services (vehicles & plant)												792	1,393	1,124	949	707	679	792							
Vehicle fleet replacements.																									
In Cab Technology			5	5	5	5	5	5	5	5	5														
PROPOSED 2013/14 Budget and MTP	226	226	231	231	231	231	231	231	231	231	231	792	1,393	1,194	949	707	679	792							
Internal Services																									
1026 Pool Cars																									
Additional Pool vehicles	20	20	1	1	1	1	1	1	1	1	1														
PROPOSED 2013/14 Budget and MTP																									
2012/13 Budget and MTP	4,168	4,168	3,981	3,977	3,774	3,736	3,736	3,736	3,736	3,736	3,736	1,015	1,015	1,275	1,143	1,409	780								
VARIATION	265	158	-35	73	110	108	108	108	108	108	108	701	456	3	-557	37	1,079								
PROPOSED 2013/14 Budget and MTP	4,168	4,433	4,139	3,942	3,847	3,846	3,844	3,844	3,844	3,844	3,844	1,015	1,716	1,731	1,146	852	817	1,079							

	REVENUE												NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget			F'cast			Budget			F'cast			Budget			F'cast			Budget			F'cast			
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	
Head of Planning Services																									
Planning																									
904 Development Management	-36	-40	-92	-143	-179	-199	-199	-199	-199	-199	-199														
Community Infrastructure Levy - Preparations	140	25	75																						
997 RAF Alconbury Development																									
PROPOSED 2013/14 Budget and MTP	-993	-1,112	-1,114	-1,240	-1,276	-1,296	-1,296	-1,296	-1,296	-1,296	-1,296	25	25	23	25	25	23								
Planning policy and conservation																									
903 Local Development Framework examinations	68	139	-19	-159	-225	-225	-225	-225	-225	-225	-225														
358 Ramsey Rural Renewal	25	200		-2	-5	-5	-5	-5	-5	-5	-5	63													
A14 Inquiry																									
PROPOSED 2013/14 Budget and MTP	505	751	393	251	182	182	182	182	182	182	182	63													
Economic Development																									
401 Huntingdon Town Centre Development																									
224 Town Centre Developments			86									10													
850 Huntingdon West Development (Housing Growth Fund)												80													
998 St Neots Development	25	25	4									902													
PROPOSED 2013/14 Budget and MTP	27	27	92	2	2	2	2	2	2	2	2	982	10	683	80										
Transportation Strategy																									
977 Penny Cycle Scheme																									
PROPOSED 2013/14 Budget and MTP	98	98	98	98	98	98	98	98	98	98	98	33													
PROPOSED 2013/14 Budget and MTP	98	98	98	98	98	98	98	98	98	98	98	33													

	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget		F'cast		MTP		Budget		F'cast		MTP		Budget		F'cast		MTP		
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	
Head of Planning Services (continued)																			
Public transport																			
818 Railway Stations - Improvements	10	10	10	10	10	10	20	38											
PROPOSED 2013/14 Budget and MTP	10	10	10	10	10	10	20	38											
Car parks (policy)																			
923 Extra Car Parking, Huntingdon Town Centre	57	57	130	37	-149	-334	3,767	500	3,973	-1,000						250	250	1,000	
PROPOSED 2013/14 Budget and MTP	57	57	130	37	-149	-334	3,767	500	3,973	-1,000						250	250	1,000	
Management units																			
PROPOSED 2013/14 Budget and MTP	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029									
Housing Services																			
PROPOSED 2013/14 Budget and MTP	-18	-18	-18	-18	-18	-18	-18	-18	-18	-18									
Private housing support																			
866 Disabled Facilities Grants							1,298	800	1,550	1,250	1,250	1,250	1,250	1,250	1,250	400	452	400	400
867 Repairs Assistance							100	134	100	100	100	100	100	100	100				
932 Decent Homes - Thermal Efficiency & Category 1 H&S							15	50	50	50	50	50	50	50	50	53			
869 Social Housing Grant							237	120	118										
PROPOSED 2013/14 Budget and MTP	61	61	61	61	61	61	1,635	1,069	1,818	1,400	1,400	1,400	1,350	1,350	453	452	400	400	400
Housing MU																			
							268	268	268	268	268	268	268	268	268				
PROPOSED 2013/14 Budget and MTP	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268				
2012/13 Budget and MTP	2,044	2,044	1,898	1,404	1,187	982	6,492	6,492	2,512	687	729	508	-474	5,801	5,801	1,691	1,142	1,100	1,574
VARIATION							70	-22	187	206	205	5	-4,817	4,048	-207	671	892	1,824	-3,599
PROPOSED 2013/14 Budget and MTP	2,044	2,114	1,876	1,591	1,393	1,187	6,492	1,675	6,560	480	1,400	1,400	1,350	5,801	2,202	6,097	1,900	400	400

	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget		F'cast		MTP		Budget		F'cast		MTP		Budget		F'cast		MTP		
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	
Head of Environmental Management																			
Environmental Services																			
1009 Drainage and sewers																			
Godmanchester Flood Alleviation Scheme																			
PROPOSED 2013/14 Budget and MTP	446	446	446	446	446	446	175												
Public conveniences																			
1003 South Street, St Neots																			
PROPOSED 2013/14 Budget and MTP	20	20	20	20	20	20	-15												
Environmental Health (energy efficiency)																			
879 Environment Strategy Funding							55	95	55	55	55	55	55						
880 Sustainable Homes Retrofit																			
882 Energy and Water Efficiency																			
918 Building Efficiency Improvements (Salix Grant)																			
918 Building Effic. Imps (Potential LC proportion)																			
987 PV Panels - Other locations																			
989 St Neots District Heating Scheme																			
PROPOSED 2013/14 Budget and MTP	68	80	60	44	39	35	143	221	-283	150	153	127	55						415
Closed Churchyards																			
PROPOSED 2013/14 Budget and MTP	5	5	5	5	5	5	5	5	5	5	5	5	5						
Building Control																			
PROPOSED 2013/14 Budget and MTP	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581						
Public transport																			
PROPOSED 2013/14 Budget and MTP	106	106	106	106	106	106	106	106	106	106	106	106	106						
Highways Services (street naming)																			
PROPOSED 2013/14 Budget and MTP	41	41	41	41	41	41	41	41	41	41	41	41	41						

Head of Customer Services (continued)	REVENUE										NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS													
	Budget		F'cast		Budget		F'cast		Budget		F'cast		Budget		F'cast		Budget		F'cast		Budget		F'cast							
	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018		
Housing Services																														
PROPOSED 2013/14 Budget and MTP																														
Homelessness																														
945	31	31	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
##	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85
1020	158	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210
1019	-138	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170
PROPOSED 2013/14 Budget and MTP																														
Housing																														
993	35	35	65																											
Maintain Service Level (Advice and Homelessness)																														
PROPOSED 2013/14 Budget and MTP																														
2012/13 Budget and MTP																														
VARIATION																														
PROPOSED 2013/14 Budget and MTP																														
2,750 2,743 2,948 2,918 2,918 2,918 2,918																														
136 136 102 136 238																														

Head of IMD	REVENUE										NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS													
	Budget		F'cast		Budget		F'cast		Budget		F'cast		Budget		F'cast		Budget		F'cast		Budget		F'cast		Budget		F'cast			
	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018		
Internal Services																														
Helpdesk & Network Services																														
959	-130	-130	-129	-129	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59
#	-6	-6	-19	-19	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84	-84
#					-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40
970																														
976	-10	-10																												
#																														
PROPOSED 2013/14 Budget and MTP																														
874 864 862 862 827 827 827																														
322 237 333 132 132 377 232																														
Web & Business Systems																														
#	-3	-3	-15	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
PROPOSED 2013/14 Budget and MTP																														
267 267 255 260 260 260 240																														
Corporate Systems																														
PROPOSED 2013/14 Budget and MTP																														
237 237 237 237 237 237 237																														
Business Analysis & Project Management																														
891	-4	-4	-4	-28	-28	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58	-58
900	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21	-21
#	-2	-2	-5	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
PROPOSED 2013/14 Budget and MTP																														
356 356 353 324 324 294 294																														
243 238 225 195 195 195																														
Corporate																														
1002	10	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Business Continuity Review																														
PROPOSED 2013/14 Budget and MTP																														
10 6 4 4 4 4 4																														
Head of IMD																														
PROPOSED 2013/14 Budget and MTP																														
183 183 183 183 183 183 183																														
1,927 1,927 1,900 1,941 1,906 1,876 1,876																														
VARIATION																														
PROPOSED 2013/14 Budget and MTP																														
1,927 1,913 1,894 1,870 1,835 1,805 1,765																														
565 475 558 327 572 427																														

Community Services	REVENUE											NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget	F'cast	Budget	MTP				Budget	F'cast	Budget	MTP				Budget	F'cast	Budget	MTP							
	2012	2013	2014	2015	2016	2017	2012	2012	2013	2014	2015	2016	2017	2012	2012	2013	2014	2015	2016	2017	2018				
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000				
857 St Neots LC Development	-149	-149	-149	-149	-209	-209	-209	-209																	
896 St Ivo LC - Football Improvements	-176	-88	-350	-541	-563	-561	-578	-578																	
922 St Ivo LC Redevelopment	-42	-42	-42	-42	-42	-42	-42	-42	3,080	3,208	1,000														
861 Future maintenance	20	20	-22	-22	-22	-22	-22	-22	612	109	272	322	322	385	550										
956 Replacement Fitness Equipment	-136	-136	-162	-403	-402	-401	-401	-401	77	22	330														
Additional savings proposals	-20																								
1000 Ramsey Development									560																
22 CCTV improvements		-6	-6	-6	-6	-6			13																
1006 OLSI Replacement Tractor & Mower	289	391	60	-371	-452	-443	-460	-460	4,329	3,348	1,549	322	572	385	550										
PROPOSED 2013/14 Budget and MTP																									
Leisure MU																									
PROPOSED 2013/14 Budget and MTP	208	208	208	208	208	208	208	208																	
2012/13 Budget and MTP	497	497	157	-90	-286	-279	-296	-296	4,329	4,329	697	422	672	535											
VARIATION	102	111	-73	42	44	44	44	44	-981	852	-100	-100	-150	550											
PROPOSED 2013/14 Budget and MTP	497	599	268	-163	-244	-235	-252	-252	4,329	3,348	1,549	322	572	385	550										
PROPOSED 2013/14 Budget and MTP																									
Management units																									
PROPOSED 2013/14 Budget and MTP																									
2012/13 Budget and MTP																									
VARIATION																									
PROPOSED 2013/14 Budget and MTP																									
2012/13 Budget and MTP																									
VARIATION																									
PROPOSED 2013/14 Budget and MTP																									
2012/13 Budget and MTP																									
VARIATION																									

Head of Financial Services	REVENUE											NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget	F'cast	Budget	MTP				Budget	F'cast	Budget	MTP				Budget	F'cast	Budget	MTP							
	2012	2013	2014	2015	2016	2017	2012	2012	2013	2014	2015	2016	2017	2012	2012	2013	2014	2015	2016	2017	2018				
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000				
920 Highways & Transportation																									
Environmental Improvements																									
East of Sapley - Preliminary Costs									-15	-15															
PROPOSED 2013/14 Budget and MTP									-15	-15															
Corporate Services																									
PROPOSED 2013/14 Budget and MTP	213	213	213	213	213	213	213	213																	
Other expenditure																									
Interest	83	97	324	545	557	660	782	782																	
Interest - Council Tax instalments changes			50	50	50	50	50	50																	
PROPOSED 2013/14 Budget and MTP	-11	3	280	501	513	616	738	738																	
Other expenditure																									
Pensions Fixed Sum	236	236	479	718	758	758	758	758																	
Doubtful Debts Provision	-10	-10	-20	-30	-40	-40	-40	-40																	
Variation in MRP	225	143	574	922	1,289	1,548	1,940	1,940																	
PROPOSED 2013/14 Budget and MTP	1,832	1,750	2,414	2,991	3,388	3,647	4,039	4,039																	
Management units																									
PROPOSED 2013/14 Budget and MTP	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125																	
Internal Services																									
PROPOSED 2013/14 Budget and MTP	405	405	405	405	405	405	405	405																	
Financial services																									
PROPOSED 2013/14 Budget and MTP	87	87	87	87	87	87	87	87																	
2012/13 Budget and MTP	3,651	3,651	4,354	5,007	5,443	5,825	6,122	6,122	-15	-15															
VARIATION	-68	170	315	288	268	485	485	485																	
PROPOSED 2013/14 Budget and MTP	3,651	3,583	4,524	5,322	5,731	6,093	6,607	6,607	-15	-15															
2012/13 Budget and MTP																									
VARIATION																									

Non-Allocated Items	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
	Budget			MTP			Budget			MTP			Budget			MTP		
	F'cast	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Recharges to non-revenue accounts																		
Revenue staff charged to capital																		
PROPOSED 2013/14 Budget and MTP	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562	-562
Risk Provision																		
Reduced New Homes Bonus (lower completions)				50	150	300	450											
Formula Grant reduction due to New Homes Bonus				100	200	200	200											
Lower increase in car park charges				20	20	20	20											
Provision for demographic growth				90	180	270	240											
Protection and Performance Pay				320	640	960	1,300	1,600										
Lower Council Tax Increases				38	88	177	275											
Homelessness				100	100	100	100											
A14 Funding Contribution							200	200										
MMI Drawdown				140														
PROPOSED 2013/14 Budget and MTP	340	1,078	1,599	2,567	3,065													
Other items																		
2012/13 Forecast - other net variations																		
Back Office - Reorganisation (part)																		
Capital Inflation																		
Capital Provision																		
E-Marketplace																		
Future Capital Provision (outturn prices)																		
Grant to Towns and Parishes (Loss of Taxbase)																		
Previous allowances review																		
Reorganisation - Senior managers																		
Revenue Inflation																		
Schemes brought forward																		
Schemes carried forward																		
Spending Adjustments still to be identified																		
VAT Partial Exemption																		
Roundings																		
PROPOSED 2013/14 Budget and MTP	-68	90	388	-766	-732	-1,467	-1,033											
2012/13 Budget and MTP	-630	-630	136	735	1,730	2,462	3,238											
VARIATION	158	31	-984	-1,425	-1,923	-1,748												
PROPOSED 2013/14 Budget and MTP	-630	-472	167	-249	305	539	1,490											
2012/13 Budget and MTP	21,722	21,722	22,299	22,842	23,611	24,365	25,363											
VARIATION	306	485	-644	-856	-1,319	-1,136												
PROPOSED 2013/14 Budget and MTP	21,722	22,028	22,764	22,198	22,755	23,046	24,227											
2012/13 Budget and MTP	8,677	8,677	8,677	8,677	8,677	8,677	8,677											
VARIATION	13,045	13,351	14,087	13,521	14,078	14,369	15,550											
TOTAL BUDGET																		

Capital Programme

FMS Code	NET CAPITAL							
	Budget		F'cast		Budget		MTP	
	2012	2013	2012	2013	2014	2015	2016	2017
	£000	£000	£000	£000	£000	£000	£000	£000
Managing Directors and Corporate Office								
Planning	Economic Development (Estates)							
509	Industrial Estate Repairs							
Q104	8							
	8							
Head of Legal & Democratic Services								
Internal Services	Document Centre							
380	Replacement Printing Equip.							
M003	70		70				208	
895	Multi-functional Devices							
M024		2	80					80
894	Replacement Equipment Document Centre							
M003	70	28	46	11	21	31	3	
	140	30	196	11	21	239	83	
Head of Environmental and Community Services								
Environmental Services	Environmental Health							
927	Air Quality Monitoring Equipment							
D004	30	36						
Community Services	Community initiatives							
952	Loves Farm Community Centre							
K504	-45		60					
423	Community Information Project							
K501		4						
	-15	40	60					
Head of Operations								
Environmental Services	Refuse collection & Recycling							
948	Provision for Bin Replacements							
E304	33	33	38	48	60	75	75	
979	Wheeled Bins for New Properties							
E304	143	143	143					
	Charges for 2nd Green Bin							
E305			20	28				
	Extra refuse round due to housing growth							
E306								148
Community safety	CCTV							
865	CCTV - Camera replacements							
K010	27	44	41	81	45	43	44	
1023	Wireless CCTV							
K012			250					
	Parks							
854	Play Equipment & Safety Surface Renewal							
L501	20	30	45	40	40	20	20	
	Other internal services (vehicles & plant)							
886	Vehicle fleet replacements.							
N002	792	1,393	1,124	949	707	679	792	
N008			70					
Internal Services	Pool Cars							
1026	Additional Pool vehicles							
		73						
	1,015	1,716	1,731	1,146	852	817	1,079	

	FMS Code	NET CAPITAL							
		Budget	F'cast	Budget	MTP				
		2012	2012	2013	2014	2015	2016	2017	
		2013	2013	2014	2015	2016	2017	2018	
		£000	£000	£000	£000	£000	£000	£000	
Head of Planning Services									
Planning									
	Development Management								
904	Community Infrastructure Levy - Preparations	P011	25	25	23				
	Planning policy and conservation								
358	Ramsey Rural Renewal	P006	63		63				
	Economic Development								
401	Huntingdon Town Centre Development	Q301		10					
224	Town Centre Developments	P004	80		210	80			
850	Huntingdon West Development (Housing Growth Fund)	Q418	902		473				
Highways & Transport									
	Transportation Strategy								
977	Perry Cycle Scheme	T426		33					
	Public transport								
818	Railway Stations - Improvements	T429	20	38					
	Car parks (policy)								
923	Extra Car Parking, Huntingdon Town Centre	T214	3,767	500	3,973	-1,000			
	Private housing support								
866	Disabled Facilities Grants	H504	1,298	800	1,550	1,250	1,250	1,250	
867	Repairs Assistance	H502	100	134	100	100	100	100	
932	Decent Homes - Thermal Efficiency & Category 1 H&S	H507		15	50	50	50		
869	Social Housing Grant	H506	237	120	118				
			6,492	1,675	6,560	480	1,400	1,400	1,350
Head of Environmental Management									
Environmental Services									
	Drainage and sewers								
1009	Godmanchester Flood Aleviation Scheme	E008			175				
	Public conveniences								
1003	South Street, St Neots	E208	-15						
	Environmental Health (energy efficiency)								
879	Environment Strategy Funding	E127	55	95	55	55	55	55	
880	Sustainable Homes Retrofit	E129			-415				
918	Building Efficiency Improvements (Salix Grant)	D010	58	96	77	95	98	72	
989	St Neots District Heating Scheme	D012	30	30					
	Car parks (assets)								
461	Car Park Repairs	T213	60		151				
166	St Neots - Cambridge Road Car Park	T212	89						
	Environmental Improvements								
703	Heart of Oxmoor	Q401	-1,366		-1,366				

	FMS Code	NET CAPITAL							
		Budget	F'cast	Budget	MTP				
		2012	2012	2013	2014	2015	2016	2017	
		2013	2013	2014	2015	2016	2017	2018	
		£000	£000	£000	£000	£000	£000	£000	
Head of Environmental Management (Continued)									
H D C Offices									
	Offices								
	MTP Variations								
890	Headquarters	M015	-900	-575	-420				
986	Major repairs and replacements	M001			50				
988	PV Panels EFH	M027		5					
			-1,989	-349	-1,894	351	153	127	55
Head of Customer Services									
Corporate Services									
	Local Taxation & Benefits								
1017	Council Tax support module	M319		65					
Internal Services									
	Call Centre								
981	Call Centre CRM Replacement	M310	136	173					
1015	Line Rental Saving								
			136	238					
Head of IMD									
Internal Services									
	Helpdesk & Network Services								
970	Telephony and ICT Network Renewal	M182					100	100	
976	ICT Replacements and Server Virtualisation	M196	322	237	258	57	57	277	
#	Help Desk	M120			75	75	75	75	
	Business Analysis & Project Management								
891	Business Systems	M163	220	225	225	195	195	195	
900	Working Smarter	M136	23	13					
			565	475	558	327	327	572	427
General Manager, One Leisure									
Community Services									
	Leisure Centres								
857	St Neots LC Development	L221					250		
896	St Ivo LC - Football Improvements			-25	-53				
922	St Ivo LC Redevelopment	L143	3,080	3,208	1,000				
861	Future maintenance	L350	612	109	272	322	322	385	
956	Replacement Fitness Equipment	L357	77	22	330				
1000	Ramsey Development	L270	560						
22	CCTV Improvements	L354		13					
1006	OLSI Replacement Tractor & Mower	L146		21					
			4,329	3,348	1,549	322	572	385	550

Formal 2013/14 Council Tax Resolutions

		FMS Code	NET CAPITAL							
			Budget		F'cast		Budget		MTP	
			2012	2012	2013	2014	2015	2016	2017	2018
			£000	£000	£000	£000	£000	£000	£000	£000
Head of Financial Services										
Highways & Transport	Environmental Improvements									
920	East of Sapley - Preliminary Costs	E131	-15	-15						
			-15	-15						
Non-Allocated Items										
Non-Allocated Items	Recharges to non-revenue accounts									
	Revenue staff charged to capital		50	50	50	50	50	50	50	
	Other items									
	Capital Inflation					67	176	276	373	
	Capital Provision								3,181	
	Future Capital Provision (outturn prices)								-3,181	
	Schemes brought forward		400	400	500	500	500	500		
	Schemes carried forward		-500	-500	-500	-500	-500	-500		
	VAT Partial Exemption		162	162	53	34	96			
	Roundings					1				
			112	112	103	152	322	326	423	
	2012/13 Budget and MTP		10,770	10,770	3,990	2,969	3,900	2,867	2,757	
TOTAL BUDGET	VARIATION									
			-3,492	4,873	-180	-253	999	1,210		
	PROPOSED 2013/14 Budget and MTP		10,770	7,278	8,863	2,789	3,647	3,866	3,967	

- a) That the Council note the Council Tax Base for the whole Council area and individual Towns and Parishes (Annex A) as approved by the Chief Officers' Management Team on the 13th December 2012 under delegated powers. **£56,358**
The tax base (T) which is the amount anticipated from a District Council Tax of £1 is
- b) That the following amounts calculated by the Council for 2013/14 in accordance with the requirements of the Local Government Finance Act 1992 as amended by the Localism Act 2011 (the Act), the Local Government Finance Act 2012 and associated regulations :-
- (i) the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act **£81,852,642**
Gross revenue expenditure including benefits, Town/Parish Precepts
- (ii) the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act **£69,698,369**
Revenue income including reimbursement of benefits, specific and general grants, use of reserves and any transfers from the collection fund.
- (iii) the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above in accordance with Section 31A (4) of the Act **£12,154,273**
This is the "Council Tax Requirement" including Parish/Town Precepts (item i minus item ii). It is the cash sum to be funded from District, Town and Parish Council Taxes.
- (iv) the Council Tax requirement for 2013/14 divided by the tax base (T) in accordance with Section 31B (1) of the Act **£215.66**
District plus average Town/Parish Council Tax (item iii divided by District taxbase)
- (v) the aggregate of all "Special Items" referred to in Section 34(1) of the Act. **£4,648,515**
The total value of Parish/Town precepts included in i and iii above.
- (vi) the Basic Amount of Council Tax for 2013/14 being item iv less item v divided by the tax base (T) in accordance with Section 34 (2) of the Act. **£133.18**
The District Council's Band D Tax for 2013/14.
- (vii) the basic amounts of Council Tax for 2013/14 for those parts of the District to which one or more special items (Parish/Town precepts) relate in accordance with Section 34 (3) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount in column "band D" set out in Table 1 attached.

(viii) the amounts to be taken into account for 2013/14 in respect of categories of dwellings listed in particular valuation bands in accordance with Section 36 (1) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount for each of the valuation bands in the columns "bands A to H" set out in Table 1 attached.

(c) That the amounts of precept issued to the Council by Cambridgeshire County Council, Cambridgeshire Police Authority and Cambridgeshire & Peterborough Fire Authority for each of the categories of dwellings listed in different valuation bands in accordance with Section 40 of the Act shown in Table 1 attached be noted.

(d) That, having regard to the calculations above, the Council, in accordance with Section 30 (2) of the Act, hereby sets the figures shown in Table 2 as the amounts of Council Tax for 2013/14 for each of the categories of dwelling shown.

This is the total Council Tax to be collected, incorporating the requirements of all of the relevant bodies, for each town or parish area.

(e) The Council notes that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its Council Tax for 2013/14 is not excessive.

The basic amount at b(vi) above is not excessive as defined by the Government.

ANNEX A

TAXBASE 2013/14

	£
Abbotsley	241
Abbots Ripton	125
Alconbury	520
Alconbury Weston	273
Alwalton	112
Barham & Woolley	27
Bluntisham	712
Brampton	1,734
Brington & Molesworth	128
Broughton	87
Buckden	1,103
Buckworth	50
Bury	573
Bythorn & Keyston	131
Catworth	143
Chesterton	57
Colne	346
Conington	65
Covington	43
Denton & Caldecote	25
Diddington	24
Earith	550
Easton	73
Ellington	231
Elton	282
Farcet	503
Fenstanton	1,100
Folksworth & Washingley	344
Glatton	132
Godmanchester	2,284
Grafham	233
Great & Little Gidding	110
Great Gransden	444
Great Paxton	356
Great Staughton	315
Haddon	23
Hail Weston	238
Hamerton & Steeple Gidding	49
Hemingford Abbots	333

Hemingford Grey	1,197
Hilton	443
Holme	226
Holywell-cum-Needlingworth	957
Houghton & Wyton	779
Huntingdon	6,750
Kimbolton & Stonely	570
Kings Ripton	81
Leighton Bromswold	79
Little Paxton	1,343
Morborne	10
Offord Cluny & Offord D'Arcy	491
Old Hurst	94
Old Weston	84
Perry	252
Pidley-cum-Fenton	144
Ramsey	2,614
St Ives	5,507
St Neots	10,034
Sawtry	1,603
Sibson-cum-Stibbington	209
Somersham	1,315
Southoe & Midloe	150
Spaldwick	232
Stilton	751
Stow Longa	64
The Stukeleys	384
Tilbrook	111
Toseland	39
Upton & Coppingford	84
Upwood & The Raveleys	397
Warboys	1,279
Waresley-cum-Tetworth	145
Water Newton	39
Winwick	38
Wistow	211
Woodhurst	149
Woodwalton	76
Wyton-on-the-Hill	411
Yaxley	2,755
Yelling	142
DISTRICT COUNCIL TOTAL	56,358

TABLE 1	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Cambridgeshire County Council	733.38	855.61	977.84	1,100.07	1,344.53	1,588.99	1,833.45	2,200.14
Cambridgeshire Police Authority	118.62	138.39	158.16	177.93	217.47	257.01	296.55	355.86
Huntingdonshire District Council	88.79	103.58	118.38	133.18	162.78	192.37	221.97	266.36
Cambridgeshire Fire Authority	42.84	49.98	57.12	64.26	78.54	92.82	107.10	128.52
PARISH COUNCILS								
Abbotsley	37.07	43.24	49.42	55.60	67.96	80.31	92.67	111.20
Abbots Ripton	50.67	59.11	67.56	76.00	92.89	109.78	126.67	152.00
Alconbury	46.63	54.41	62.18	69.95	85.49	101.04	116.58	139.90
Alconbury Weston	20.76	24.22	27.68	31.14	38.06	44.98	51.90	62.28
Alwalton	13.24	15.45	17.65	19.86	24.27	28.69	33.10	39.72
Barham & Woolley	17.29	20.17	23.05	25.93	31.69	37.45	43.22	51.86
Bluntisham	82.02	95.69	109.36	123.03	150.37	177.71	205.05	246.06
Brampton	69.94	81.60	93.25	104.91	128.22	151.54	174.85	209.82
Brington & Molesworth	19.53	22.79	26.04	29.30	35.81	42.32	48.83	58.60
Broughton	26.82	31.29	35.76	40.23	49.17	58.11	67.05	80.46
Buckden	44.91	52.40	59.88	67.37	82.34	97.31	112.28	134.74
Buckworth	33.84	39.48	45.12	50.76	62.04	73.32	84.60	101.52
Bury	34.91	40.72	46.54	52.36	64.00	75.63	87.27	104.72
Bythorn & Keyston	4.58	5.34	6.11	6.87	8.40	9.92	11.45	13.74
Catworth	48.49	56.57	64.65	72.73	88.89	105.05	121.22	145.46
Chesterton	11.69	13.64	15.59	17.54	21.44	25.34	29.23	35.08
Colne	42.39	49.45	56.52	63.58	77.71	91.84	105.97	127.16
Conington	22.05	25.73	29.40	33.08	40.43	47.78	55.13	66.16
Covington	20.15	23.51	26.87	30.23	36.95	43.67	50.38	60.46
Denton & Caldecote	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Diddington	27.78	32.41	37.04	41.67	50.93	60.19	69.45	83.34
Earith	49.09	57.28	65.46	73.64	90.00	106.37	122.73	147.28
Easton	36.53	42.61	48.70	54.79	66.97	79.14	91.32	109.58
Ellington	25.97	30.30	34.63	38.96	47.62	56.28	64.93	77.92
Elton	30.73	35.86	40.98	46.10	56.34	66.59	76.83	92.20
Farcet	76.87	89.69	102.50	115.31	140.93	166.56	192.18	230.62
Fenstanton	32.63	38.07	43.51	48.95	59.83	70.71	81.58	97.90
Folksworth & Washingley	47.51	55.43	63.35	71.27	87.11	102.95	118.78	142.54
Glatton	18.69	21.80	24.92	28.03	34.26	40.49	46.72	56.06
Godmanchester	41.52	48.44	55.36	62.28	76.12	89.96	103.80	124.56
Grafham	31.47	36.72	41.96	47.21	57.70	68.19	78.68	94.42
Great & Little Gidding	65.67	76.61	87.56	98.50	120.39	142.28	164.17	197.00
Great Gransden	33.79	39.42	45.05	50.68	61.94	73.20	84.47	101.36
Great Paxton	28.09	32.77	37.45	42.13	51.49	60.85	70.22	84.26
Great Staughton	27.57	32.17	36.76	41.36	50.55	59.74	68.93	82.72
Haddon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hail Weston	44.98	52.48	59.97	67.47	82.46	97.46	112.45	134.94

TABLE 1 cont.	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Hamerton & Steeple Gidding	6.80	7.93	9.07	10.20	12.47	14.73	17.00	20.40
Hemingford Abbots	32.03	37.37	42.71	48.05	58.73	69.41	80.08	96.10
Hemingford Grey	46.21	53.91	61.61	69.31	84.71	100.11	115.52	138.62
Hilton	34.00	39.67	45.33	51.00	62.33	73.67	85.00	102.00
Holme	32.45	37.85	43.26	48.67	59.49	70.30	81.12	97.34
Holywell-cum-Needingworth	70.08	81.76	93.44	105.12	128.48	151.84	175.20	210.24
Houghton & Wyton	50.00	58.33	66.67	75.00	91.67	108.33	125.00	150.00
Huntingdon	78.18	91.21	104.24	117.27	143.33	169.39	195.45	234.54
Kimbolton & Stonely	60.82	70.96	81.09	91.23	111.50	131.78	152.05	182.46
Kings Ripton	32.92	38.41	43.89	49.38	60.35	71.33	82.30	98.76
Leighton Bromswold	38.69	45.14	51.59	58.04	70.94	83.84	96.73	116.08
Little Paxton	41.12	47.97	54.83	61.68	75.39	89.09	102.80	123.36
Morborne	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Offord Cluny & Offord D'Arcy	58.72	68.51	78.29	88.08	107.65	127.23	146.80	176.16
Old Hurst	34.04	39.71	45.39	51.06	62.41	73.75	85.10	102.12
Old Weston	24.57	28.67	32.76	36.86	45.05	53.24	61.43	73.72
Perry	29.10	33.95	38.80	43.65	53.35	63.05	72.75	87.30
Pidley-cum-Fenton	23.15	27.00	30.86	34.72	42.44	50.15	57.87	69.44
Ramsey	35.71	41.66	47.61	53.56	65.46	77.36	89.27	107.12
St.Ives	74.83	87.30	99.77	112.24	137.18	162.12	187.07	224.48
St.Neots	56.15	65.51	74.87	84.23	102.95	121.67	140.38	168.46
Sawtry	52.07	60.74	69.42	78.10	95.46	112.81	130.17	156.20
Sibson-cum-Stibbington	35.09	40.93	46.78	52.63	64.33	76.02	87.72	105.26
Somersham	74.04	86.38	98.72	111.06	135.74	160.42	185.10	222.12
Southoe & Midloe	53.33	62.22	71.11	80.00	97.78	115.56	133.33	160.00
Spaldwick	28.73	33.52	38.31	43.10	52.68	62.26	71.83	86.20
Stilton	63.61	74.21	84.81	95.41	116.61	137.81	159.02	190.82
Stow Longa	34.37	40.10	45.83	51.56	63.02	74.48	85.93	103.12
The Stukeleys	28.65	33.42	38.20	42.97	52.52	62.07	71.62	85.94
Tilbrook	18.02	21.02	24.03	27.03	33.04	39.04	45.05	54.06
Toseland	11.97	13.96	15.96	17.95	21.94	25.93	29.92	35.90
Upton & Coppingford	31.75	37.04	42.33	47.62	58.20	68.78	79.37	95.24
Upwood & the Raveleys	33.15	38.67	44.20	49.72	60.77	71.82	82.87	99.44
Warboys	40.09	46.77	53.45	60.13	73.49	86.85	100.22	120.26
Waresley-cum-Tetworth	15.17	17.70	20.23	22.76	27.82	32.88	37.93	45.52
Water Newton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Winwick	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wistow	31.59	36.86	42.12	47.39	57.92	68.45	78.98	94.78
Woodhurst	22.37	26.10	29.83	33.56	41.02	48.48	55.93	67.12
Woodwalton	33.77	39.40	45.03	50.66	61.92	73.18	84.43	101.32
Wyton-On-The-Hill	38.12	44.47	50.83	57.18	69.89	82.59	95.30	114.36
Yaxley	65.83	76.81	87.78	98.75	120.69	142.64	164.58	197.50
Yelling	14.09	16.43	18.78	21.13	25.83	30.52	35.22	42.26

TABLE 2	TOTAL CHARGES							
	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbotsley	1,020.70	1,190.80	1,360.92	1,531.04	1,871.28	2,211.50	2,551.74	3,062.08
Abbots Ripton	1,034.30	1,206.67	1,379.06	1,551.44	1,896.21	2,240.97	2,585.74	3,102.88
Alconbury	1,030.26	1,201.97	1,373.68	1,545.39	1,888.81	2,232.23	2,575.65	3,090.78
Alconbury Weston	1,004.39	1,171.78	1,339.18	1,506.58	1,841.38	2,176.17	2,510.97	3,013.16
Alwalton	996.87	1,163.01	1,329.15	1,495.30	1,827.59	2,159.88	2,492.17	2,990.60
Barham & Woolley	1,000.92	1,167.73	1,334.55	1,501.37	1,835.01	2,168.64	2,502.29	3,002.74
Bluntisham	1,065.65	1,243.25	1,420.86	1,598.47	1,953.69	2,308.90	2,664.12	3,196.94
Brampton	1,053.57	1,229.16	1,404.75	1,580.35	1,931.54	2,282.73	2,633.92	3,160.70
Brington & Molesworth	1,003.16	1,170.35	1,337.54	1,504.74	1,839.13	2,173.51	2,507.90	3,009.48
Broughton	1,010.45	1,178.85	1,347.26	1,515.67	1,852.49	2,189.30	2,526.12	3,031.34
Buckden	1,028.54	1,199.96	1,371.38	1,542.81	1,885.66	2,228.50	2,571.35	3,085.62
Buckworth	1,017.47	1,187.04	1,356.62	1,526.20	1,865.36	2,204.51	2,543.67	3,052.40
Bury	1,018.54	1,188.28	1,358.04	1,527.80	1,867.32	2,206.82	2,546.34	3,055.60
Bythorn & Keyston	988.21	1,152.90	1,317.61	1,482.31	1,811.72	2,141.11	2,470.52	2,964.62
Catworth	1,032.12	1,204.13	1,376.15	1,548.17	1,892.21	2,236.24	2,580.29	3,096.34
Chesterton	995.32	1,161.20	1,327.09	1,492.98	1,824.76	2,156.53	2,488.30	2,985.96
Colne	1,026.02	1,197.01	1,368.02	1,539.02	1,881.03	2,223.03	2,565.04	3,078.04
Conington	1,005.68	1,173.29	1,340.90	1,508.52	1,843.75	2,178.97	2,514.20	3,017.04
Covington	1,003.78	1,171.07	1,338.37	1,505.67	1,840.27	2,174.86	2,509.45	3,011.34
Denton & Caldecote	983.63	1,147.56	1,311.50	1,475.44	1,803.32	2,131.19	2,459.07	2,950.88
Diddington	1,011.41	1,179.97	1,348.54	1,517.11	1,854.25	2,191.38	2,528.52	3,034.22
Earith	1,032.72	1,204.84	1,376.96	1,549.08	1,893.32	2,237.56	2,581.80	3,098.16
Easton	1,020.16	1,190.17	1,360.20	1,530.23	1,870.29	2,210.33	2,550.39	3,060.46
Ellington	1,009.60	1,177.86	1,346.13	1,514.40	1,850.94	2,187.47	2,524.00	3,028.80
Elton	1,014.36	1,183.42	1,352.48	1,521.54	1,859.66	2,197.78	2,535.90	3,043.08
Farcet	1,060.50	1,237.25	1,414.00	1,590.75	1,944.25	2,297.75	2,651.25	3,181.50
Fenstanton	1,016.26	1,185.63	1,355.01	1,524.39	1,863.15	2,201.90	2,540.65	3,048.78
Folksworth & Washingley	1,031.14	1,202.99	1,374.85	1,546.71	1,890.43	2,234.14	2,577.85	3,093.42
Glatton	1,002.32	1,169.36	1,336.42	1,503.47	1,837.58	2,171.68	2,505.79	3,006.94
Godmanchester	1,025.15	1,196.00	1,366.86	1,537.72	1,879.44	2,221.15	2,562.87	3,075.44
Grafham	1,015.10	1,184.28	1,353.46	1,522.65	1,861.02	2,199.38	2,537.75	3,045.30
Great & Little Gidding	1,049.30	1,224.17	1,399.06	1,573.94	1,923.71	2,273.47	2,623.24	3,147.88
Great Gransden	1,017.42	1,186.98	1,356.55	1,526.12	1,865.26	2,204.39	2,543.54	3,052.24
Great Paxton	1,011.72	1,180.33	1,348.95	1,517.57	1,854.81	2,192.04	2,529.29	3,035.14
Great Staughton	1,011.20	1,179.73	1,348.26	1,516.80	1,853.87	2,190.93	2,528.00	3,033.60
Haddon	983.63	1,147.56	1,311.50	1,475.44	1,803.32	2,131.19	2,459.07	2,950.88
Hail Weston	1,028.61	1,200.04	1,371.47	1,542.91	1,885.78	2,228.65	2,571.52	3,085.82
Hamerton & Steeple Gidding	990.43	1,155.49	1,320.57	1,485.64	1,815.79	2,145.92	2,476.07	2,971.28
Hemingford Abbots	1,015.66	1,184.93	1,354.21	1,523.49	1,862.05	2,200.60	2,539.15	3,046.98
Hemingford Grey	1,029.84	1,201.47	1,373.11	1,544.75	1,888.03	2,231.30	2,574.59	3,089.50

TABLE 2 cont.	TOTAL CHARGES							
	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hilton	1,017.63	1,187.23	1,356.83	1,526.44	1,865.65	2,204.86	2,544.07	3,052.88
Holme	1,016.08	1,185.41	1,354.76	1,524.11	1,862.81	2,201.49	2,540.19	3,048.22
Holywell-cum-Needlingworth	1,053.71	1,229.32	1,404.94	1,580.56	1,931.80	2,283.03	2,634.27	3,161.12
Houghton & Wyton	1,033.63	1,205.89	1,378.17	1,550.44	1,894.99	2,239.52	2,584.07	3,100.88
Huntingdon	1,061.81	1,238.77	1,415.74	1,592.71	1,946.65	2,300.58	2,654.52	3,185.42
Kimbolton & Stonely	1,044.45	1,218.52	1,392.59	1,566.67	1,914.82	2,262.97	2,611.12	3,133.34
Kings Ripton	1,016.55	1,185.97	1,355.39	1,524.82	1,863.67	2,202.52	2,541.37	3,049.64
Leighton Bromswold	1,022.32	1,192.70	1,363.09	1,533.48	1,874.26	2,215.03	2,555.80	3,066.96
Little Paxton	1,024.75	1,195.53	1,366.33	1,537.12	1,878.71	2,220.28	2,561.87	3,074.24
Morborne	983.63	1,147.56	1,311.50	1,475.44	1,803.32	2,131.19	2,459.07	2,950.88
Offord Cluny & Offord D'Arcy	1,042.35	1,216.07	1,389.79	1,563.52	1,910.97	2,258.42	2,605.87	3,127.04
Old Hurst	1,017.67	1,187.27	1,356.89	1,526.50	1,865.73	2,204.94	2,544.17	3,053.00
Old Weston	1,008.20	1,176.23	1,344.26	1,512.30	1,848.37	2,184.43	2,520.50	3,024.60
Perry	1,012.73	1,181.51	1,350.30	1,519.09	1,856.67	2,194.24	2,531.82	3,038.18
Pidley-cum-Fenton	1,006.78	1,174.56	1,342.36	1,510.16	1,845.76	2,181.34	2,516.94	3,020.32
Ramsey	1,019.34	1,189.22	1,359.11	1,529.00	1,868.78	2,208.55	2,548.34	3,058.00
St.Ives	1,058.46	1,234.86	1,411.27	1,587.68	1,940.50	2,293.31	2,646.14	3,175.36
St.Neots	1,039.78	1,213.07	1,386.37	1,559.67	1,906.27	2,252.86	2,599.45	3,119.34
Sawtry	1,035.70	1,208.30	1,380.92	1,553.54	1,898.78	2,244.00	2,589.24	3,107.08
Sibson-cum-Stibbington	1,018.72	1,188.49	1,358.28	1,528.07	1,867.65	2,207.21	2,546.79	3,056.14
Somersham	1,057.67	1,233.94	1,410.22	1,586.50	1,939.06	2,291.61	2,644.17	3,173.00
Southoe & Midloe	1,036.96	1,209.78	1,382.61	1,555.44	1,901.10	2,246.75	2,592.40	3,110.88
Spaldwick	1,012.36	1,181.08	1,349.81	1,518.54	1,856.00	2,193.45	2,530.90	3,037.08
Stilton	1,047.24	1,221.77	1,396.31	1,570.85	1,919.93	2,269.00	2,618.09	3,141.70
Stow Longa	1,018.00	1,187.66	1,357.33	1,527.00	1,866.34	2,205.67	2,545.00	3,054.00
The Stukeleys	1,012.28	1,180.98	1,349.70	1,518.41	1,855.84	2,193.26	2,530.69	3,036.82
Tilbrook	1,001.65	1,168.58	1,335.53	1,502.47	1,836.36	2,170.23	2,504.12	3,004.94
Toseland	995.60	1,161.52	1,327.46	1,493.39	1,825.26	2,157.12	2,488.99	2,986.78
Upton & Coppingford	1,015.38	1,184.60	1,353.83	1,523.06	1,861.52	2,199.97	2,538.44	3,046.12
Upwood & the Raveleys	1,016.78	1,186.23	1,355.70	1,525.16	1,864.09	2,203.01	2,541.94	3,050.32
Warboys	1,023.72	1,194.33	1,364.95	1,535.57	1,876.81	2,218.04	2,559.29	3,071.14
Waresley-cum-Tetworth	998.80	1,165.26	1,331.73	1,498.20	1,831.14	2,164.07	2,497.00	2,996.40
Water Newton	983.63	1,147.56	1,311.50	1,475.44	1,803.32	2,131.19	2,459.07	2,950.88
Winwick	983.63	1,147.56	1,311.50	1,475.44	1,803.32	2,131.19	2,459.07	2,950.88
Wistow	1,015.22	1,184.42	1,353.62	1,522.83	1,861.24	2,199.64	2,538.05	3,045.66
Woodhurst	1,006.00	1,173.66	1,341.33	1,509.00	1,844.34	2,179.67	2,515.00	3,018.00
Woodwalton	1,017.40	1,186.96	1,356.53	1,526.10	1,865.24	2,204.37	2,543.50	3,052.20
Wyton-On-The-Hill	1,021.75	1,192.03	1,362.33	1,532.62	1,873.21	2,213.78	2,554.37	3,065.24
Yaxley	1,049.46	1,224.37	1,399.28	1,574.19	1,924.01	2,273.83	2,623.65	3,148.38
Yelling	997.72	1,163.99	1,330.28	1,496.57	1,829.15	2,161.71	2,494.29	2,993.14

Treasury Management Policy Statement

Definition

The Council defines its treasury management activities as:

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

Risk management

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured.

Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

Value for money

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

Borrowing policy

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

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

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

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

Investment policy

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

Loans to Organisations

The Council may make loans to:

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

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

Governance

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

Treasury Management Strategy 2013/14

Treasury Management is:

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

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

BACKGROUND

Despite some stronger economic growth data towards the end of 2012, consumers are yet to loosen their purse strings and businesses are still reticent to make long-term investment decisions. The momentum in GDP growth is therefore unlikely to be sustained while uncertainty over the economic outlook persists. Consumer Price Inflation has fallen close to the Bank of England's 2% target, although it is expected to be affected by volatility in energy and commodity prices throughout 2013.

Having voted to increase quantitative easing by £50bn in July, the Bank's Monetary Policy Committee is waiting to assess the effectiveness of the Funding for Lending Scheme that started in August. Further asset purchases remain a distinct possibility, although there is a developing consensus that quantitative easing is becoming less effective.

The US Federal Reserve has responded to the slowdown in growth and employment with large scale asset purchases of \$40bn a month until the outlook for the labour market improves substantially. The US public finance 'fiscal cliff' nevertheless remains a serious risk unless a political solution is reached soon.

The Eurozone is making slow headway, with the European Stability Mechanism now operational, announcements on the Outright Monetary Transactions programme well received, and some progress being made towards banking union. These have placated markets and curtailed some of the immediate risks to the stability of the monetary union. A sustainable solution to the Eurozone crisis is some way off though, as fiscal integration and mutualisation of Eurozone sovereign debt liabilities remain politically unpalatable.

INTEREST RATE FORECASTS

The Council's treasury management adviser, Arlingclose, believes that it could be 2016 before official UK interest rates rise. The US Federal Reserve has signalled it will keep interest rates "at exceptionally low levels" until at least 2015. More QE is expected from the Bank of England, and together with the UK's safe haven status and minimal prospect of short-term rate rises, gilt yields are expected to remain near their current lows.

For the purpose of the Council's Medium Term Plan the following interest rates have been assumed but it is recognised that all assumptions about the speed with which rates will begin to rise is problematic.

	2013/14	2014/15	2015/16	2016/17	2017/18
	%	%	%	%	%
Temporary investments	0.70	0.60	0.60	0.86	1.30
PWLB 20 year borrowing (EOY)	3.63	3.73	3.80	4.05	4.30
Temporary borrowing	0.30	0.40	0.40	0.76	1.20

Against the background of low interest rates and reducing revenue and capital balances the Council has sought to maximise the returns from its investments whilst minimising the risks of investing with a borrower that is, or may become, unable to repay. It therefore adopted a strategy for 2012/13 that did not concentrate its investments with the Government's Debt Management Office which are effectively risk-free, as they are backed by the Government, but with a significantly below base interest rate, and instead concentrated on highly rated institutions and the larger Building Societies. At the same time investments in "liquidity accounts" which offer repayment the same day were maximised to further reduce risk.

The 2012/13 Strategy allowed for borrowing in anticipation of need to fund capital expenditure although that option has not so far been used this year.

CURRENT POSITION AND EXPECTED TREASURY PORTFOLIOS

The Council's position as at 31 December 2012 was:

INVESTMENTS & BORROWING		Principal Amount £m	Average Interest Rate %
Investments			
Short Term	maturing by 31st March 2013	7.6	0.64%
	maturing 2013/14	5.0	
Long Term	maturing later	0.0	4.85%
Total		12.6	2.31%
Borrowing			
Short term	maturing by 31st March 2013	0	0%
	maturing 2013/14	0	0%
Long term	maturing later	(10.0)	3.91%
Total		(10.0)	3.91%
Net Borrowing		£2.6m	3.81%

Expected changes in portfolio

According to current cash flow forecasts, net borrowing is expected to increase to £15 million by 31st March 2013.

Budget implications

The budget for net interest received in 2012/13 was -£11K; as a result of actual interest rates and cash flow differing from the assumptions used in the budget, the forecast outturn is £11k.

The budget for net interest in 2013/14 is £280K.

The Council's Financial Strategy

BORROWING STRATEGY

As noted above, the Council currently holds £10m of long-term loans.

Planned borrowing strategy for 2013/14 and future years

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

	2013/ 2014 £m	2014/ 2015 £m	2015/ 2016 £m	2016/ 2017 £m	2017/ 2018 £m
Existing long term borrowing	10.0	10.0	10.0	10.0	10.0
<i>available long term</i>					
Revenue Reserves (EOY)	8.5	6.5	5.0	5.0	5.0
Provision for repaying loans (EOY)	2.9	4.5	6.5	8.7	11.4
Earmarked Reserves (EOY) ¹	4.2	4.2	4.2	4.2	4.2
<i>available on a year by year basis</i>	15.6	15.2	15.7	17.9	20.6
Cash Flow benefit average	7.5	7.5	7.5	7.5	7.5
<i>fluctuates from day to day</i>					
FUNDING REQUIRED					
Capital Expenditure					
Brought Forward	(39.0)	(47.7)	(50.3)	(53.8)	(57.5)
Capital Expenditure in Year	(8.7)	(2.6)	(3.5)	(3.7)	(3.8)
Carried Forward	(47.7)	(50.3)	(53.8)	(57.5)	(61.3)
Fixed Term Investment (EOY) ²					
Total Required Funding	(47.7)	(50.3)	(53.8)	(57.5)	(61.3)
Excluding Use of Reserves					
MAY BORROW	(37.7)	(40.3)	(43.8)	(47.5)	(51.3)
Including Use of Reserves					
MUST BORROW	(22.1)	(25.1)	(28.1)	(29.6)	(30.7)
NEED FOR FURTHER BORROWING – FUNDING IN ADVANCE					
MAY BORROW A FURTHER	(13.6)	(14.3)	(14.1)	(13.8)	(13.6)
NEED FOR FURTHER BORROWING – LOANS TO ORGANISATIONS					
MAY BORROW A FURTHER	(25.0)	(50.0)	(75.0)	(75.0)	(75.0)

Notes:

¹ includes specific earmarked reserves (e.g. S106 and R&R Funds)

² takes account of fact that the £5m of the £10m borrowed in anticipation is invested until December 2013.

Borrowing – Cash Flow

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

Authorities are permitted to borrow short term for this purpose and funds are obtained from whomever is quoting the lowest rate for the period required. If rates are particularly high on a particular day then the sum may be borrowed overnight to see if rates are lower the following day for the remainder of the period required.

There is added uncertainty in 2013/14 due to changes in the arrangements for Business Rates and potential delays in the collection of Council Tax due to the new Benefits Scheme.

Borrowing – No Funding Activity

The amount of capital borrowing up until March 2014 (i.e. up to an estimated £37.7M) will be dependent upon the actual levels of revenue spending which will determine the level of the Council's own reserves that can be used and the level of capital spending which will determine the total sum required. The period of borrowing will reflect the current and anticipated interest rate profile. If short term interest rates began to rise consideration would be given to whether long term rates were attractive enough to support long term borrowing. If rates remain low it is much more difficult to justify long term borrowing.

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

Borrowing – Funding in Advance

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

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

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

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

Borrowing – Loans to Organisations

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

Borrowing - Profile

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

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

- **Stability.** Avoid the risk of adverse market movements affecting the cost of borrowing. To do this the logical option is to borrow the money for as long as needed.
- **Lowest Cost.** Minimise the overall cost of borrowing which, at the present time, might result in very short borrowing because of the very low interest rates available. However, future rates may rise significantly meaning that it was better to have paid more initially and borrowed longer.

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

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

The Council will need to approve a prudential indicator for the 'authorised limit for external debt'. This will include forward funding of the MTP and Loans to Organisations but the three elements will be kept separate. With regard to 2013/14:

1. £73m No Forward Funding Activity
 - temporary borrowing for cash flow purposes (£20m)
 - long term existing borrowing (£10m)
 - borrowing to fund the forecast capital programme (£38m)
 - an allowance for other long-term liabilities, such as finance leases (£5m)
2. £14m Long term based on maximum borrowing in advance
3. £25m Long term borrowing to finance Long Term loans to Other Organisations: £25m

Investment Strategy

INVESTMENTS - CATEGORIES

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

Specified investments are expected to offer relatively high security and/or liquidity.

They must be:

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

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

No investment that counts as Capital expenditure will be undertaken as it effectively transfers revenue funds into capital when the investment is repaid which has significant impacts on the Council's financial flexibility.

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

The Council may use the following non-specified investments:

- Time Deposits of longer than 12 months with banks and building societies
- UK government bonds, supranational bank bonds
- loans to other local authorities and other organisations (further definition of the latter is shown below) over 12 months to maturity
- Corporate Bonds over 12 months to maturity, if returns are clearly better than time deposits, but such investments will only be made following a risk assessment and consultation on the proposed limits, procedures and credit ratings with the Treasury Management Advisory Group. Use would be limited to Bonds that could be held to maturity thus avoiding fluctuations in capital value.

INVESTMENTS – HIGH CREDIT QUALITY

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

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

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

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

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

Current account bank

Following a competitive tender exercise, in April 2010 the Royal Bank of Scotland was appointed to provide Banking Services in respect of the Council's current accounts. With a long term rating of "A" (December 2012) the bank is close to the bottom of the above credit rating criteria for this type of institution.

INVESTMENTS – SPREADING THE RISK

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

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

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

INVESTMENTS – PERIODS

Once a time deposit is made there is no requirement for the borrower to repay until the end of the agreed period. Thus a borrower who has a high credit rating on the investment day could

be in serious financial difficulties in the future. As a result significant use is made of liquidity accounts which currently give an attractive interest rate but also allow repayment of our investment the same day.

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

These funds will be used as appropriate taking account of comparative security and yields. During 2012/13, the Council used two money market funds, the:

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

If during 2013/14, where it becomes advantageous, further funds may be used.

INVESTMENTS - MANAGEMENT

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

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

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

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

LOANS TO SUPPORT THE ACHIEVEMENT OF SERVICE OBJECTIVES

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

LOANS WITH SECURITY

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

POLICY ON USING FINANCIAL DERIVATIVES

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

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

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

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

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

ADVISORS

The Council appointed Sterling Consultancy Services as Treasury Management Advisors in January 2008 (following retendering they were reappointed in January 2011). In the late summer of 2012, Sterling Consultancy Services was transferred to Arlingclose, who are another independent firm of Treasury Management Advisors. The Council has received assurance that all contractual obligations will be met and to date the transfer has been seamless.

The Advisor carries out the following role:

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

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

MANAGEMENT

The Head of Financial Services and his staff will manage and monitor investments and borrowing.

The Treasury Management Advisory Group (TMAG) consists of four members; they are kept informed of relevant issues and consulted on any significant issues.

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

REPORTING AND SCRUTINY

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

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

TRAINING

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

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

CHANGES TO THE STRATEGY

The strategy is not intended to be a strait-jacket but a definition of the upper limit of the level of risk that it is prudent for the Council to take in maximising the return on its net investments. Any changes that are broadly consistent with this Strategy and either reduce or only minimally increase the level of risk, are delegated to the Head of Financial Services, after consultation with the Treasury Management Advisory Group, where of any significance. All other changes to the strategy must be approved by the full Council.

TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

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

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

APPENDIX A

Definition of Credit Ratings

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

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

APPENDIX B

In-House Fund Management (if no further advance borrowing)

Duration of investments	No investment shall be longer than 5 years. Maximum duration for a Building Society with no rating is 1 month.																	
Types of investments	Fixed term Deposits Deposits at call, two or seven day notice Corporate bonds Money market funds UK Government bonds and Supranational Bank bonds Loans to organisations																	
Credit Ratings	<p>Building Societies All Building Societies with ratings of BBB or above. Building Societies with no ratings.</p> <p>Money Market Funds AAA credit rating</p> <p>Local Authorities or UK Government No rating required</p> <p>Non-Building Societies Short term rating F1 by Fitch or equivalent. Short term rating F2 by Fitch or equivalent for liquidity accounts. Long-term rating of AA- by Fitch or equivalent if the investment is longer than 1 year.</p> <p>Loans to Organisations These will not require a specific credit rating but will be subject to individual approval by Cabinet.</p>																	
Maximum limits per counterparty (group), country or non-specified category	<table border="0"> <tr> <td>F1+ or have a legal position that guarantees repayment for the period of the investment</td> <td>£5M</td> </tr> <tr> <td>F1</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets over £2bn in top 25 (Currently 10)</td> <td>£5M</td> </tr> <tr> <td>Building Society with assets over £1bn if in top 25 (Currently 3)</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets under £1bn in top 25</td> <td>£3M</td> </tr> <tr> <td>Liquidity (Call) Account with a credit rating of F2 or with a legal position that guarantees repayment or a Building Society.</td> <td>£5M</td> </tr> <tr> <td>BUT total invested with counterparty/group shall not exceed</td> <td>£8M</td> </tr> <tr> <td>Money market fund AAA Credit rating</td> <td>£4m</td> </tr> </table> <p>Limit for Non-specified investments</p> <ul style="list-style-type: none"> - £10M in time deposits more than one year - £5M in corporate bonds - £10M in any other types. - £15M in total <p>Country limits</p> <ul style="list-style-type: none"> - UK - unlimited - £5M in a country outside the EU - £10M in a country within the EU (excluding UK) - £20M in EU countries combined (excluding UK) - Country of Domicile for Money Market Funds – unlimited, providing the fund is AAA. <p>No investment will be made in country with a sovereign rating of less than AA. These limits will be applied when considering any new investment from 23 February 2012. Lower limits may be set during the course of the year or for later years to avoid too high a proportion of the Council's funds being with any counterparty.</p>		F1+ or have a legal position that guarantees repayment for the period of the investment	£5M	F1	£4M	Building Society with assets over £2bn in top 25 (Currently 10)	£5M	Building Society with assets over £1bn if in top 25 (Currently 3)	£4M	Building Society with assets under £1bn in top 25	£3M	Liquidity (Call) Account with a credit rating of F2 or with a legal position that guarantees repayment or a Building Society.	£5M	BUT total invested with counterparty/group shall not exceed	£8M	Money market fund AAA Credit rating	£4m
F1+ or have a legal position that guarantees repayment for the period of the investment	£5M																	
F1	£4M																	
Building Society with assets over £2bn in top 25 (Currently 10)	£5M																	
Building Society with assets over £1bn if in top 25 (Currently 3)	£4M																	
Building Society with assets under £1bn in top 25	£3M																	
Liquidity (Call) Account with a credit rating of F2 or with a legal position that guarantees repayment or a Building Society.	£5M																	
BUT total invested with counterparty/group shall not exceed	£8M																	
Money market fund AAA Credit rating	£4m																	
Benchmark	LGC 7 day rate																	

INVESTMENT LIMITS FOR INCREASES IN ADVANCE BORROWING

	Level of Borrowing in Anticipation		Rating Constraints
	from	to	
	£5M	£11M	
	£10M	£20M	
BUILDING SOCIETIES			
Assets over £2bn	£5M	£5M	
Assets over £1bn	£4M	£4M	
Rest of top 25 by assets	£3M	£3M	
BANKS & OTHER INSTITUTIONS			
F1+ or legal status	£5M	£5M	AA- if more than 1 year
F1	£4M	£4M	AA- if more than 1 year
LIQUIDITY ACCOUNTS			
			F1+ or legal status
Limit in liquidity account	£5M	£6M	
Limit with any other investments in institution	£8M	£9M	
NON-SPECIFIED INVESTMENTS			
Time Deposits over 1 year in total	£20M	£30M	
Corporate Bonds in total	£5M	£8M	Not yet determined
Total	£20M	£30M	
TERRITORIAL LIMITS			
UK	Unlimited		
EU (excluding UK)	£20M	£20M	
EU Country (other than UK)	£10M	£10M	
Any other Country	£5M	£5M	

APPENDIX C

CIPFA Prudential Code for Capital Finance in Local Authorities Prudential Indicators and Treasury Management Indicators for 2013/14

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

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

Prudential Indicators

1. Actual and Estimated Capital Expenditure

	2011/12 Actual £m	2012/13 Forecast £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Gross	8.0	10.4	17.9	5.3	4.1
Net	3.8	7.1	8.7	2.6	3.5

Loans to organisations will normally be treated as capital expenditure and would be in addition to the current capital programme.

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

The negative figure in 2010/11 reflects that the Authority was a net investor and that the net interest earned exceeded the provision for the repayment of debt.

2011/12 Actual	2012/13 Forecast	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
0%	4%	7%	10%	11%

Assuming no borrowing in advance or loans to organisations.

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

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

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

	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Variation	(£2.15)	(£4.09)	(£2.48)
Cumulative	(£2.15)	(£6.24)	(£8.72)

4. The capital financing requirement.

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

	31/3/12 Actual £m	2012/13 Forecast £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
No Funding Activity	21.9	28.2	35.6	36.6	38.1	39.6	40.2

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

Loans to Organisations	0.0	0.0	25.0	50.0	75.0	75.0	75.0

5. Net borrowing and the capital financing requirement

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

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

5a. Gross and Net Debt

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

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

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

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

6. The actual external long-term borrowing at 31 March 2012

£10m

7. The authorised limit for external debt.

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

	2012/13 Limit £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Short term	20	20	20	20
Long term	40	48	50	54
Other long-term liabilities (leases)	5	5	5	5
Total - No Funding Activity	65	73	75	79
Long Term based on the maximum borrowing in advance	0	14	14	14
Long term borrowing to finance Long Term Loans to Organisations	0	25	50	75

8. The operational boundary for external debt.

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

	2012/13 Limit £m	2013/14 Limit £m	2014/15 Limit £m	2015/16 Limit £m
Short term	15	15	15	15
Long term	41	48	50	54
Other long-term liabilities (leases)	5	5	5	5
Total - No Funding Activity	61	68	70	74
Plus any long term borrowing in advance	0	14	14	14
Plus any long term borrowing to finance long term loans to organisations	0	25	50	75

9. Adoption of the CIPFA Code

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

TREASURY MANAGEMENT INDICATORS

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

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

At Council on the 19th December 2012, approval was given to a change in this indicator to enable it to better illustrate the Council's particular circumstances and reflect the interest rate exposure and relationship between long and short and borrowing and investing.

If the Council does not borrow in advance it is quite possible that all investments, except for the current fixed investment of £5M to December 2013 will be of less than a year's duration and hence count as "variable rate".

		2013/14 Limits		2014/15 Limits		2015/16 Limits	
		Max	Min	Max	Min	Max	Min
Borrowing							
Longer than 1 year	Fixed	100%	75%	100%	75%	100%	75%
	Variable	25%	0%	25%	0%	25%	0%
Investments							
Longer than 1 year	Fixed	100%	100%	100%	100%	100%	100%
	Variable	0%	0%	0%	0%	0%	0%

11. Borrowing Repayment Profile

The proportion of borrowing in place during 2013/14 that will mature in successive periods. This indicator is set to control the Council's exposure to refinancing risk.

The Council has £10M long term borrowing but the uncertainty on whether any forward borrowing will take place and the potential for short term borrowing to be the most attractive option results in the limits set out below.

Funding capital schemes	Upper limit	Lower limit
Under 12 months	86%	0%
12 months and within 24 months	86%	0%
24 months and within 5 years	86%	0%
5 years and within 10 years	86%	0%
10 years and above	100%	14%

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

12. Investment Repayment Profile

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

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

	2013/14 £m	2014/15 £m	2015/16 £m
Limit on investments over 364 days as at 31 March each year.	32.6	32.6	33.2

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

Code of Financial Management

The draft code includes a number of changes to reflect the new management structure; including a number of changes in respect of the redesignation of senior finance posts. Where previously the code stated:

- i. Managing Director, Resources; this is now the Assistant Director (Finance and Resources).

As the designated Section 151 officer (Local Government Act 1972) and Responsible Financial Officer (Accounts and Audit Regulations 2011), and

- ii. Head of Financial Services, this is now the Accountancy Manager.
As the designated Deputy Section 151 Officer.

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

Paragraph No.	Section	Change
1.3	Corporate Governance Panel	Changes in terms of reference for the Panel; including: <ul style="list-style-type: none"> to approve the internal audit charter, internal audit plan, and to note that the Panel will approve the final accounts before publication.
1.12	Responsibility of Budget Managers	Conditions in which staff are to be employed.
1.13	Internal Audit	Changes to the responsibility of internal audit, including recognition of the internal audit charter and reporting arrangements to Corporate Governance Panel
3.2	Grants, Cost Sharing and S106 agreements	<ul style="list-style-type: none"> To include Community Infrastructure Levy (CIL) within this part of the Code. Budget Holder responsibilities in respect of notifying Accountancy Services of Grants received.
3.4	Approvals for additional spending with a net impact	Inclusion of emergency spending powers and limits for the Managing Director (or the AD: Finance and Resources).
3.6	Budget Transfers	Increase in budget transfer limits for budget holders, COMT and Cabinet.
4.1	Banking	Clarification that bank accounts are only to be opened in line with the Treasury Management Strategy.
4.2	Income	Clarification of responsibilities for budget holders in respect of income.
4.4	Payments	Clarifications of compliance with payment procedures.
5.3	Records	Noting that budget managers are responsible for ensuring that the Financial Management System is used by authorised people and for proper council purposes.
5.7	Insurance	The Internal Audit Manager being responsible to obtain insurance.
5.9	Accounts Closure, Accounting Accruals and Estimates	<ul style="list-style-type: none"> Requirement for the Statement of Accounts to be produced in line with statutory regulations and Codes of Practice. Confirmation of accounts closure management arrangements. Clarification of responsibility for the establishment of Earmarked Reserves and Provisions.
6.2	Control of Assets	Clarification of responsibility of Heads of Service to keep records of capital assets up to date.
6.3	Acquisition	Clarification of thresholds for capital expenditure.
6.7	Valuations	<ul style="list-style-type: none"> Confirmation of a 3-year asset revaluation programme. Capital asset revaluations are to be obtained by the Accountancy Manager.
Annex A	Technical Budgets	Recharges now included as a Technical Budget.

1. FINANCIAL RESPONSIBILITIES

1.1 General

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

1.2 The Council:

Will determine the Council's Financial Strategy and Medium Term Financial Plan (MTP), approve the annual budget and set the level of the council tax.

Will approve the Council's Treasury Management Strategy and Prudential Indicators.

Will approve changes to this Code.

1.3 The Corporate Governance Panel:

Will ensure that the financial management of the Council is adequate and effective.

Will ensure that the Council has a sound system of internal control including arrangements for the management of risk.

Will consider the Council's Code of Corporate Governance and approve the annual statement.

Will approve the internal audit charter and the annual internal audit plan and comment on the external audit plan.

Will approve the Council's final accounts before publication.

Will consider reports from the external auditor.

Will recommend changes to this Code to the Council.

1.4 The Cabinet:

Will propose to the Council:

- the Financial Strategy
- the MTP
- the annual budget and council tax level
- a combined annual report including the Treasury Management Strategy, Treasury Management Policy and Prudential Indicators,

after considering the views of the appropriate Overview and Scrutiny Panel and representatives of the business community.

Will set financial priorities, allocate and re-allocate resources in accordance with the limits in this Code, monitor and review financial performance.

1.5 Overview and Scrutiny Panels

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

1.6 Cabinet, Panels and Working Groups

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

1.7 Members and Employees

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

Specifically, they shall bring to the attention of the Assistant Director (Finance and Resources) any act or omission that is contrary to the provisions of this Code or the maintenance of high standards of financial probity, and provide information or explanation on matters within their responsibility to him/her, the Monitoring Officer, Internal Audit Service or the Council's external auditors.

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

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

1.8 The Head of Legal and Democratic Services, as Monitoring Officer or, in his/her absence, the Deputy Monitoring Officer

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

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

1.10 The Assistant Director (Finance and Resources), as Responsible Financial Officer or, in his/her absence, the Accountancy Manager.

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

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

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

1.11 The Accountancy Manager, as Deputy Responsible Financial Officer

Will be responsible for detailed and operational aspects of the administration of the Council's financial affairs on behalf of the Assistant Director (Finance and Resources), approving new financial systems and undertaking such duties as are set out in this Code.

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

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

The Budget Manager responsible for a budget :

- will be responsible for effective financial and resource management and the prevention of fraud and corruption within the service
- will be responsible for informing the Internal Audit & Risk Manager of all suspected or notified cases of fraud, corruption or impropriety
- may incur financial commitments and liabilities in accordance with this Code, the Council's Scheme of Delegation and resources allocated in budgets that have been released subject to Annex B. In particular they may make purchases of goods and services, subject to the requirements of the Code of Procurement, and employ staff, in accordance with HR policies and any COMT requirements. Annex B deals with the implications of the turnover contingency and includes the requirement that, when an employee leaves, they will determine whether:
 - o the post is kept vacant for a period before a decision is made,
 - o the post can be deleted,
 - o a restructuring should be proposed,
 - o joint working with another body should be considered
 - o the post should be filled at the end of a defined period,

- o it should be filled as soon as possible,

- o it should be filled as soon as possible and temporary employees or consultants are engaged to provide cover in the meantime.

- will be responsible for regular and effective monitoring and forecasting of the financial position relating to their services.
- will be responsible for proper financial and resource management and the prevention of fraud and corruption within the services and functions under their control.
- will determine the inherent risks, within their services, to the achievement of the Council's priorities and establish, maintain and document adequate systems of risk management and internal control, in consultation with the Internal Audit Service, and ensure that relevant employees or Members are familiar with such systems.
- will be responsible for providing in a timely manner, the information necessary to ensure that the final accounts can be completed by the statutory deadlines.
- will be responsible for annually reviewing their services to identify any aspects where surplus capacity could be utilised to reduce the net cost of the Council's services. All identified opportunities shall be introduced unless Cabinet or both the Executive Councillor for Finance and of the relevant service consider it would not be appropriate.
- will be responsible for seeking improvements in the efficiency of their services.
- will be responsible for identifying opportunities and then bidding for grants or contributions from other bodies to support the achievement of the Council objectives through their services.
- will be responsible for maximising the income from fees and charges relating to their service in accordance with Annex C.

1.13 Internal Audit

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

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

2. FINANCIAL AND SERVICE PLANNING

2.1 In the Summer - Overall Review

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

2.2 In the Autumn - Financial Strategy

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

2.3 In the Winter - Annual Budget and MTP

The Cabinet shall, after consultation with the relevant Overview and Scrutiny Panel, recommend to the Council an annual budget for the next financial year and a MTP for the succeeding four years, incorporating both capital and revenue expenditure, which is consistent with corporate and service strategies and the Financial Strategy. This budget will include the allocation of resources to individual services and capital projects.

2.4 In the Spring - Service Financial Plans

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

3. CONTROLLING FINANCIAL PLANS

3.1 Financial Monitoring

Budget Managers will be responsible for regular and effective monitoring and forecasting of the financial position relating to their services and promptly reporting any significant issues to the Chief Officers' Management Team.

The Chief Officers' Management Team will review each Budget Manager's financial performance on a quarterly basis.

The financial performance of the Council will be reviewed by the Cabinet quarterly on the basis of monitoring statements prepared by the Accountancy Manager in conjunction with Budget Managers.

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

3.2 Commitments to Expenditure in Future Years

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

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

If the Budget Manager has any concerns about their proposal meeting these requirements they must consult the Accountancy Manager.

3.3 Grants, Cost Sharing and S106/CIL agreements

Where a Budget Manager proposes to take advantage of grants from other organisations, or some other form of cost sharing, whereby they will be able to deliver additional or improved services, consistent with their Service Plan, without creating any current or future commitment to additional net expenditure they may do so subject to:

- the funds being dependent upon a particular project or service being provided but, in the case of S106/CIL agreements, the location or some other aspect is at the Council's discretion.
 - informing the Accountancy Manager of the details
 - consulting the relevant Executive Councillor(s) if the proposal exceeds £30,000 revenue or £50,000 capital in any one year or on any discretionary element of a S106/CIL sum.
- A Budget Manager may utilise sums of money received under S106/CIL, or equivalent, agreements where there is no discretion. The Accountancy Manager should be informed of the details. The Budget Manager must also supply the Accountancy Manager with:
- A copy of all information that supports the grants received (grant letter etc) so a decision can be made in respect of the correct accounting treatment.
 - Documentation confirming how they plan to meet any grant conditions.

3.4 Approvals for additional spending with a net impact

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

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

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

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

3.5 Approvals for additional spending with compensating savings

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

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

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

3.6 Budget Transfers

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

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

contingencies and the Minimum Revenue Provision. They will not be available for transfer to other budgets except in meeting the specific purpose for which they were established.

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

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

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

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

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

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

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

Cabinet may approve budget transfers of up to:

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

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

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

3.7 Re-phasing of Expenditure

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

3.8 Price Base Changes

Allocation to individual Budgets of any provision for inflation or other purposes will be determined by the Accountancy Manager.

3.9 Project Appraisals

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

4. CASH AND CREDIT MANAGEMENT

4.1 Banking

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

4.2 Income

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

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

The Accountancy Manager shall manage a debt collection service on behalf of the Council and all sums due must be registered by raising an invoice on the Council's Financial Management System or some other system or procedure approved by the Accountancy Manager.

All Budget Holders are required to ensure that:

- Invoices are raised promptly
- The income team are informed promptly of any required invoice adjustments

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

4.3 Treasury Management

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

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

The Cabinet will be responsible for the implementation and regular monitoring of treasury management activity and the Treasury Management Advisory Group, which currently consists of four members, will act as an informal liaison group with the officers responsible for treasury management.

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

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

4.4 Payments

All payments must be made either:

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

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

5. ACCOUNTING PROCEDURES

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

5.2 Statement of Accounts

The annual Statement of Accounts shall be presented to the Corporate Governance Panel for approval within the prescribed statutory timescale.

5.3 Records

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

5.4 Retention of Documents

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

5.5 Contingent Assets and Liabilities

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

5.6 Stock

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

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

5.7 Insurance

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

5.8 Write-off of Irrecoverable Debts

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

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

5.9 Accounts Closure, Accounting Accruals and Estimates

The Statement of Accounts will be produced in line with both statutory regulations and relevant Codes of Practice.

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

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

6. ASSETS

6.1 Definition

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

6.2 Control of Assets

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

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

6.3 Acquisition

The purchase of assets must be in accordance with the procedures specified in the Council's Code of Procurement, having regard to the value of the asset, and follow taking advice from relevant specialist colleagues in appropriate cases e.g. IMD, vehicle management, legal, procurement.

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

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

6.4 Disposal

The sale of assets must be in accordance with the procedures specified in the Council's Code of Procurement, having regard to the current value of the asset, and follow taking advice from relevant specialist colleagues in appropriate cases e.g. IMD, vehicle management, legal, procurement.

The relevant Budget Manager shall inform the Accountancy Manager within 10 working days of any disposal of an asset included in the Asset Register.

6.5 Capital Expenditure

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

6.6 Leases

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

6.7 Valuations

In order to comply with accounting requirements assets will need to be revalued at regular intervals. A three year "phased" revaluation programme will be followed, other than for those assets that are categorised as "investment" properties (e.g. industrial units), which must be revalued every year. All capital asset revaluations for the Statement of Accounts will be obtained by the Accountancy Manager.

ANNEX A

TECHNICAL BUDGETS

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

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

ANNEX B

BUDGETS FOR PAY

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

1. The Council does not provide for a 100% of the costs of its employees. This is because experience shows that it is generally impossible to avoid gaps when people leave and are replaced. It is also common for the new employees to be on a lower point in the grade than the person who left.
2. Obviously it is unlikely that each pay budget will be equally affected in any particular year and therefore, to simplify budget monitoring, each pay budget includes 100% of employee costs but there is a negative, centrally held, contingency that represents the saving that the Council's overall budget is based on.
3. Therefore no use of savings, virement or rephasing relating to a pay budget, whether temporary or permanent, will be permitted unless this annex is complied with.

Employees Leaving

4. In order to maximise the likelihood of achieving this saving a Budget Manager must, whenever an employee gives their notice, determine whether:
 - a. the post is kept vacant for a period before a decision is made,
 - b. the post can be deleted,
 - c. a restructuring should be proposed,
 - d. joint working with another body should be considered
 - e. the post should be filled at the end of a defined period,
 - f. it should be filled as soon as possible,
 - g. it should be filled as soon as possible and temporary employees or consultants are engaged to provide cover in the meantime.

5. In deciding on which option to take the Budget Manager should take appropriate HR and financial advice. The decision must include consideration of any need for temporary or permanent regradings, acting up allowances, honoraria, employees or consultants. Allowance must also be made for an appropriate saving, to help achieve the contingency budget, as determined by the Accountancy Manager.
6. Budget Managers will also need to liaise with HR to arrange recruitment advertising and ensure that the recruitment arrangements comply with the process agreed by the Employment Panel.

Other Adjustments and Virement

7. If any other proposal is made to transfer (in accordance with paragraph 3.6) or rephase (in accordance with paragraph 3.7) a pay budget, a budget reduction, as determined by the Accountancy Manager, shall be made in order to allow the contingency budget to be reduced.

Exceptions

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

ANNEX C

MAXIMISING INCOME FROM FEES AND CHARGES

The Budget Manager responsible for a budget shall:

- annually review their services to identify any aspects that are not currently, but could be charged for. Charges for such aspects shall be introduced unless Cabinet or both the Executive Councillor for Resources and of the relevant service consider it would not be appropriate.
- review fees and charges and introduce any resulting changes at least annually, after consultation with the relevant Executive Councillor(s) unless there is a formal requirement for the charges to be determined by Cabinet or a Panel. In doing so, they:
 - shall ensure that relevant legislation that specifies the charges to be made or constrains them in any way is complied with.
 - shall, after having regard to the charges of any alternative service providers with whom the Council is competing, seek to maximise income, net of applicable costs, unless it will have a clearly detrimental impact on the achievement of the Council objectives.

- may introduce differential pricing to particular client groups where these are expected to stimulate demand and generate additional net income which would otherwise not be obtained.
- may set prices lower than could be reasonably achieved if this is demonstrably the most cost effective way of achieving Council objectives and the necessary funding is available. Use of this option requires approval of Cabinet or both the Executive Councillor for Finance and of the relevant service.
- may set fees and charges that allow an element of discretion if it can be demonstrated that this will lead to an overall benefit to the Council. It is important that any use of discretion is recorded so that it can be clearly shown that decisions have been made fairly and consistently.
- shall keep appropriate records to demonstrate that the required actions have been undertaken and how the decisions were reached.

Code of Procurement

The code includes some further clarifications and control requirements; the main changes are listed below:

Paragraph	Section	Change
1.8	Definition of Manager	Clarification has been provided to show what is meant "manager" throughout the Code.
4.1	Methods of Ordering	Confirmation that purchase orders shall be raised through the Financial Management System.
5.6	Estimated total value of procurement: up to £5,000	Responsibility of budget managers to seek further estimates where savings could be achieved.
5.6	Estimated total value of procurement: single tenders/ quotations	Clarification that a manager can approve a single tender for maintenance or propriety systems (with provisions).
6.3	Selection Criteria.	Clarification of the process surrounding the use of "electronic" Pre-Qualification Questionnaire's.
14	Local Government Act – Community Right to Challenge	New code requirements in respect of recent legislation.

1. INTRODUCTION

1.1 The Code of Procurement defines the regulatory and legal framework for procurement. It has been adopted in accordance with the requirements of Section 135 (2) of the Local Government Act 1972.

1.2 This Code applies to the procurement, commissioning, hire, rental or lease of -

- land and buildings, roads or other infrastructure;
- vehicles or plant;
- equipment, furniture and fittings;
- construction and engineering works;
- information and communication technology - hardware and software;
- goods, materials and services;
- repairs and maintenance;
- consultants, agents and professional services.

1.3 This Code does not apply to purchases made from internal management units.

1.4 The Code applies also to the sale of assets and goods by the Council where the appropriate Manager estimates that the assets, goods or services to be sold exceed £1000. Where the value is estimated to be less than £1000 then the 'Sale of Equipment' procedures contained within the Inventory procedures shall be followed.

1.5 The Council includes the Cabinet, panels, committees or other body or person(s) acting in accordance with delegated authority on behalf of the Council.

1.6 All procurements or sales made by or on behalf of the Council shall comply with this Code, subject to any overriding requirements of the Council's Rules of Procedure and Code of Financial Management and British or European Union law or regulation.

1.7 Throughout the Code, reference to contractor(s) or sub-contractor(s) shall mean any person, company or supplier who has -

- requested to be on an approved or ad-hoc approved list of tenderers;
- been approached to provide a quotation or tender;
- provided a quotation or tender; or
- been awarded a contract in accordance with the provisions of this Code.

1.8 Throughout the Code, reference to Manager shall mean Service Manger, General Manager, Head of Service or Assistant Director as appropriate.

1.9 The Assistant Director (Finance & Resources) shall annually review all the financial values contained in the Code to take account of the impact of inflation. The Assistant Director (Finance & Resources) shall inform all Managers of any amendments to the values prior to the 1st April from which they shall be operative.

2. REPORTING PROCEDURES AND EU COMPLIANCE

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

Threshold	Supplies	s	Works
£ (Euros)	£ 173,934 (€200,000)	£ 173,934 (€200,000)	£ 4,348,350 (€5,000,000)

(Thresholds as at 1 Jan 12)

2.2 Financial Year Start Reporting

At the start of each financial year (1 April) Managers shall:

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

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

Threshold	Supplies	s	Works
£ (Euros)	£ 653,253 (€750,000)	£ 653,253 (€750,000)	£ 4,348,350 (€5,000,000)

(Thresholds as at 1 Jan 12)

Contract values are the Council's aggregated spend and not individual Directorates or Services. Therefore, the Procurement Manager shall advise the Manager if their aggregated spend is to be advertised as a PIN.

Aggregated values can be calculated by one of the following methods -

- the total value purchased over the last financial year; or
- the estimated value of all contracts expected to be placed in the next financial year or the term of the contract if that is longer; or
- where the contract is open-ended or of uncertain duration, such as those for the hire of goods or for the delivery of a particular , the value is based on the estimated average monthly expenditure multiplied by 48 (4 years).

2.3 Through Year Reporting

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

2.4 End of Year Reporting

The Department of Communities and Local Government seeks a report each year from all Councils regarding contracts awarded through OJEU during the previous year. By the 30 Apr each year, Managers shall provide the Procurement Manager with the following details for contracts placed through OJEU procedures -

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

3. CONTRACTS REGISTER

3.1 Managers shall keep a record, using the Contracts register, of -

- all tenders and quotes greater than £ 5,000;
- the reasons (if appropriate) for not advertising on the Council's Latest Opportunities Internet site;
- all those contractors that were requested to quote or tender;
- the reasons why those particular contractors were selected to quote or tender;
- if applicable, the reasons why less than three contractors were selected to quote or tender;
- contract renewal date (if appropriate); and
- file or other reference to the contract and location of the hard copy.

4. METHODS OF ORDERING

4.1 All orders shall be placed through one of the following recognised methods:

- An order raised on the e-marketplace.
- A Procurement Card Order.
- A Manual Purchase Order.
- A Purchase Order raised on the Financial Management System.

4.2 Where there is an exception requirement and the relevant Assistant Director or Manager considers that the work is of an emergency nature necessary to enable the service to continue and none of the ordering methods are suitable, the relevant Assistant Director or Manager shall record the details of the exceptional requirement and the action taken for future Audit.

5. 'BEST VALUE' AND SOURCING POLICY

5.1 The Council seeks 'Best Value' in all procurement activity. 'Best Value' being:

- The opportunity to obtain leverage (better prices and) for volume.
- Regulatory compliance.
- Transparent and efficient procurement processes.
- Appropriate social, environmental and equality outcomes.
- Minimum procurement over.

5.2 Sourcing policy is determined by the needs of 'Best Value' and in order of preference is:

(a) Adopted catalogues or framework contracts. An adopted catalogue or framework is the preferred contract for the Council's business within a defined category (a type or group of goods or service). The Procurement Manager shall make available adopted catalogues or framework contracts on the e-marketplace or publish details of the contract or framework in Procurement Protocols & Guidelines. Managers shall ensure that orders for such categories are placed through the e-marketplace using appropriate 'adopted' catalogue or framework contract. The Procurement Manager shall keep under review the continued suitability of any such catalogues, contracts or framework agreements.

(b) Collaborative procurements with other public bodies or authorities.

(c) Council let corporate contracts.

5.3 Some categories are managed corporately by specialist areas. The Procurement Manager shall provide a list of specialist categories and Managers shall ensure all requirements for such categories are referred to the relevant specialist.

5.4 Tenders. Nothing in this Code shall require tenders to be sought: -

(a) for purchases made from a Purchasing Agent (ESPO, Government Procurement)

- where there is a single supplier 'call-off contract' or catalogue created with fixed prices, or
- where the contract is created to our requirements, or

(b) for purchases through local authority, government body or agency, police, health or other similar public authority, where the procurement rules of that organisation have been approved by the Procurement Manager and the contract is created in co-operation, agreed joint requirements or partnership.

- (c) for purchases made at public auction;
- (d) where the relevant Assistant Director or Manager -
 - considers that the work is of an emergency nature or is necessary to enable the service to continue; or
 - with the Assistant Director (Finance & Resources)' agreement, considers that it is in the Council's best interest in negotiating a further contract for works, supplies or services of a similar nature with a contractor who is currently undertaking such work. The relevant Assistant Director or Manager shall report details of all work awarded to the Head of Legal & Democratic Services who shall make a record in a register kept for that purpose; and to the next meeting of the Cabinet.

5.5 Any procurement estimated to exceed £50,000, which is not covered by the exceptions in paragraph 5.4 above, must be referred to the Procurement Manager before the procurement process is commenced. If a Manager does not wish to accept the Procurement Manager's advice on any significant aspect the matter will be determined by the relevant Assistant Director. The discussion will cover:

- Scope and objectives of the procurement;
- Budget and costing;
- Tender methods;
- Product and market information;
- Timescales; and
- Deliverables.

5.6 Where there is no adopted contract or framework, Managers shall, wherever practicable, seek to maximise contract values with other Managers to secure lower costs. The Council nevertheless wishes to balance the effort of going to the market with the effort and efficiency of the procurement process. Managers after determining the proposed contract's total value shall then follow one of the procurement procedures detailed below. These procedures shall be used in all procurements or sales bar those exceptions at paragraph 5.4.

Estimated Total Value of Procurement	Requirement
Up to £5,000	At least 1 written estimate or offer (e-marketplace, email, web or paper) shall be sought and recorded. Further estimates or offers should be sought where a Manager considers that there is reasonable possibility that this could result in a saving to the Council.
£5,001 to £50,000	At least 3 written quotations or offers shall be invited, unless the Managers has complied in full with paragraph 6.1e of this Code. The Manager will consider whether the nature of the procurement is such that a full competitive tendering would be likely to be beneficial to the Council by reducing cost (by more than the cost of tendering) or risk.
£50,001 to European Union Procurement Threshold	Competitive tenders shall be obtained using one of the tendering options in this Code, and a formal written contract prepared in accordance with paragraph 11.2.
Above the EU Threshold specified below	The appropriate EU procurement directive shall be complied with.

5.7 Total value is the cost of all elements of the procurement (eg: installation, testing, training, maintenance, etc). The Manager shall ensure that a procurement is not split or otherwise disaggregated and may choose to competitively tender requirements less than £50,000.

5.8 Achieving 'Best Value' needs valid competition and valid competition is dependant on the existence of an 'open' market with the selected Contractors having the interest, capability and capacity for the work or business being offered. Wherever possible a minimum of three competitive tenders or quotations shall be sought. In selecting contractors to provide a tender or quotation Managers shall ensure that wherever possible -

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

6. TENDER AND FORMAL QUOTATION PROCEDURES

6.1 Tendering and Formal Quotation Options

Managers shall select one of the following procedures. If any alternative procedure is proposed then approval of the Cabinet is required before the proposed procedure is followed. In selecting contractors to invite to tender Managers shall comply with paragraph 5.8.

Option	Requirement
(a) Framework	All contractors on the framework (or lot if split into lots) shall be invited to tender/quote. No public notice is required and general Terms & Conditions are set in the original framework contract but additional Terms & Conditions specific to the requirement may be permitted. Vetting (paragraph 6.3) is not normally required as the contractor was vetted as part of the original framework competition.
(b) List of Approved Tenderers	Tenders shall be invited from at least three contractors selected from an approved list established in accordance with paragraph 7 of this Code. Vetting (paragraph 6.3) is not normally required as the contractor was vetted to join the list.
(c) Open Tenders and Quotations	Public notice shall be given in one or more newspapers and/or in an appropriate trade journal. The notice shall state the nature and purpose of the contract, where further information and documentation can be obtained, and state the closing date for the process. Where the Manager is satisfied that Expressions of Interest received from a Contracts Register Notice represent contractors with genuine interest and capacity, then no further public notice is required. An Invitation to Tender (ITT) or Request to Quote (RFQ) is sent to all contractors expressing an interest. All ITTs and RFQs shall include an appropriate questionnaire to permit vetting of contractors in accordance with paragraph 6.3 of this Code.
(d) Restricted Tenders & Quotations	The requirement to advertise is the same as paragraph 6.1 (c) above. ITTs or RFQs are restricted to a shortlist of contractors selected after vetting in accordance with paragraph 6.3 of this Code.
(e) Single Tenders / Quotations	<p>A Manager after consulting the Head of Legal & Democratic Services may obtain a single tender or quotation when:</p> <ul style="list-style-type: none"> Prices are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available. Work to be executed or goods, services or materials to be supplied consist of repairs to or the supply of parts of existing proprietary machinery, equipment, hardware or plant and the repairs or the supply of parts cannot be carried out practicably by alternative contractors. Specialist consultants, agents or professional advisers are required and <ul style="list-style-type: none"> - there is no satisfactory alternative; or - evidence indicates that there is likely to be no genuine competition; or - it is in the Council's best interest to engage a particular consultant, agent or adviser. - Products are sold at a fixed price, and market conditions make genuine competition impossible. The proposed contract shall form part of a serial programme. The contract terms shall be negotiated with a contractor, using as a basis for negotiation the rates and prices contained in an initial contract that was awarded following a competitive tendering process that complied with this Code. No more than two serial contracts shall be negotiated from an initial contract No satisfactory alternative is available. If the single quote/tender option is used, the Manager shall: <ul style="list-style-type: none"> seek approval of the Head of Legal & Democratic Services who shall make a record in a register kept for that purpose; retain records that demonstrate that the best price or value for money has been obtained from the negotiations with the contractor. <p>A Manager can approve a single tender for ongoing maintenance of propriety systems provided:</p> <ul style="list-style-type: none"> there is evidence that it is a propriety system; the initial contract award was compliant; the renewal is for a period not greater than 4 years (this is the time interval the EU uses to calculate contract value for ongoing contracts); the ongoing value does not exceed the EU threshold; and the direct award is recorded in the single tender register.

6.2 Invitations To Tenders and Requests for Quotations

Managers shall ensure that all ITTs and RFQs include;

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

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

6.3 Selection Criteria

- The Manager shall undertake sufficient vetting to ensure that all contractors -
 - comply with minimum standards of Insurance;
 - have the necessary Health & Safety policy and performance and (where applicable) membership of the Contractor's Health and Safety Scheme or equivalent health and safety standard;
 - are financial viable based on a risk based assessment;
 - have an appropriate environmental policy;
 - comply with equalities legislation and policy; and
 - possess the experience and capacity required.
- The Procurement Manager shall provide an appropriate questionnaire for the purpose of vetting contractors.
- Managers wishing to have a Pre-Qualification Questionnaire returned in electronic format (Excel) must tell bidding suppliers to use the designated email address "procsupport@huntingdonshire.gov.uk" and tell the Procurement Manager of the closing date. The Procurement Manager shall forward the Pre-Qualification Questionnaires to the Manager after the closing date.

6.4 Evaluation Criteria

Except to the extent that the Cabinet in a particular case or specified categories of contract otherwise decides, all formal quotations or tenders that are being sought shall:

- be based on a definite written specification, which shall include environmental performance (where relevant to the requirement) including:
 - low energy and water consumption.
 - elimination of substances hazardous to health and the environment.
- include award criteria, which if it is not to be the lowest price, shall be agreed by the appropriate Director;
- include specific weightings applied to individual award criteria.
- if appropriate, include a requirement for a performance bond and liquidated damages.

6.5 Non-Traditional Procurement

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

procurement strategies.

The Manager shall produce in accordance with guidance issued by the Head of Legal & Democratic Services and prior to proceeding with the procurement, a written procurement strategy that shall be approved by the Assistant Director (Finance & Resources) and the Cabinet.

7. LISTS OF APPROVED TENDERERS

7.1 The Council uses 2 types of list of approved contractors:

- (a) Third party vetted lists of contractors that are compiled and maintained by an external organisation. Only external organisations approved by the Head of Legal & Democratic Services, after consultation with the Assistant Director (Finance & Resources) and the other relevant Managers shall be adopted. The Procurement Manager shall ensure that the external organisation and approved list of contractors is detailed in Procurement Protocols & Guidelines.
- (b) Ad-hoc list of approved tenderers. If a Manager believes that the approved list of tenders does not allow him to obtain sufficient competition for 'Best Value', the Manager shall write to the Head of Legal & Democratic Services and copied to the Assistant Director (Finance & Resources) seeking approval to source additional contractors or create an ad-hoc list of approved tenderers.

7.2 Subject to approval as required in paragraph 7.1(b) the Manager shall:

- issue a public notice inviting applications for inclusion on a specific approved list for the supply of goods, services or materials.
- vet (as detailed at paragraph 6.3) all contractors replying to the public notice or who have requested within the previous 12 months to be considered for work of a similar nature;
- only include contractors satisfactorily completing the checks;
- ensure the ad-hoc list shall only be used for seeking tenders for the supply of goods, services or materials specifically detailed within the original public notice;

7.3 The Head of Legal & Democratic Services in conjunction with the Assistant Director (Finance & Resources) and relevant Managers shall review the continued suitability of any List of Approved Tenderers periodically and at least prior to the third anniversary of its initial or further adoption.

8. SUB-CONTRACTS AND NOMINATED SUPPLIERS

8.1 Quotations or tenders for sub-contracts to be performed or for goods, services or materials to be supplied by nominated sub-contractors shall be invited in accordance with this Code.

8.2 The relevant Manager is authorised to nominate to a main contractor a sub-contractor whose quotation or tender has been obtained in full accordance with this Code.

9. RECEIPT AND OPENING OF TENDERS AND QUOTATIONS

9.1 Where tenders or quotations are invited in accordance with this Code no tender or quotation will be considered unless -

- contained in a plain envelope which shall be securely sealed and shall bear the word "Tender" or "Quotation", the Unique Reference Number (URN) from the Contracts Register followed by the subject to which it relates; or
- the tender or quotation has been received via the e-marketplace 'sealed quote' facility; or
- it has been sent electronically to a specific e-mail address, which the appropriate Manager shall obtain from the IMD Service Manager.

9.2 Further to paragraph 9.1 above -

- the envelope shall not bear any distinguishing matter or mark intended to indicate the identity of the sender. Contractors shall be notified accordingly. Such envelope shall be addressed impersonally to the Head of Legal and Democratic Services if it contains a "Tender" or the appropriate Manager if it contains a "Quotation"; and
- the IMD Service Manager shall ensure that the e-mail address is secure and can only be accessed by the Head of Legal & Democratic Services or officers specifically appointed by him.

9.3 All envelopes or e-mails received shall be kept securely and shall not be opened or accessed until the time appointed for their opening.

9.4 All tenders or quotations invited in accordance with this Code shall be opened at one time only and by at least two officers -

- tenders shall be opened by officers nominated by the Head of Legal & Democratic Services and by the appropriate Head of Service/Service Manager. The Assistant Director (Finance & Resources) shall be notified of the time and place appointed for the opening; and
- quotations shall be opened by the appropriate Manager and/or his nominee(s). The Internal Audit & Risk Manager shall be notified of the time and place appointed for the opening.

9.5 All tenders or quotations upon opening shall be recorded in writing on either a tender opening record or quotation record in the Contracts Register, as is appropriate. The format of the opening record shall have been previously agreed with the Head of Legal & Democratic Services and Assistant Director (Finance & Resources). The Form of Tender or Quotation and any accompanying documentation shall be marked with the date of opening, and signed by all officers present at the opening. The tender or quotation opening record shall be signed by at least two officers present at the opening.

9.6 The original opening record shall be retained by the Head of Legal and Democratic Services in respect of tenders, and the relevant Manager in respect of quotations.

9.7 Any tenders or quotations received after the specified time shall be returned promptly to the contractor by the Head of Legal and Democratic Services or his nominated officer in respect of tenders, or by the appropriate Manager or his nominated officer in respect of a quotation.

9.8 Late tenders shall be rejected once any other tender/quotation has been opened.

10. ACCEPTANCE OF TENDERS AND QUOTATIONS

- 10.1** The appropriate Manager shall evaluate all the tenders or quotations received in accordance with the award criteria set out in the bid documentation and shall accept, subject to the provisos set out in this paragraph, either -
- the lowest priced tender or quotation; or
 - the most economically advantageous tender or quotation, as evaluated against the award criteria.
- 10.2** Tenders or quotations exceeding the approved estimate may only be accepted once approval to further expenditure is obtained.
- 10.3** If the lowest priced, or most economically advantageous exceeds £50,000 -
- but is within 15% of the original estimate, the appropriate Manager may accept the quotation without seeking further competition; and
 - is in excess of 15% of the original estimate then a competitive tender exercise in accordance with paragraph 6.3 above shall be carried out, unless the appropriate Manager has consulted and obtained the approval of the Head of Legal and Democratic Services and relevant executive councillor that the quotation can be accepted.
- 10.4** A tender or quotation shall not be accepted -
- (a) where payment is to be made by the Council and -
- it is not the lowest priced tender or quotation, or
 - the most economically advantageous tender or quotation in accordance with the award criteria set out in the tender or quotation documentation; or
- (b) if payment is to be received by the Council and the tender or quotation is not the highest price or value;
- (c) unless -
- the Cabinet have considered a written report from the appropriate Head of Service/ Service Manager, or
 - in cases of urgency, the Head of Legal and Democratic Services has consulted and obtained the approval of the relevant executive councillor. Tenders or quotations accepted in this way shall be reported by the appropriate Manager to the next meeting of the Cabinet.
- 10.5** Where post-tender negotiations have been undertaken in accordance with paragraph 10.6 below, the appropriate Manager shall only accept the lowest priced tender received. A tender other than the lowest shall not be accepted until the Cabinet have considered a written report from the appropriate Head of Service/Service Manager, and recommended acceptance of a tender other than the lowest.
- 10.6 Arithmetical Errors and Post-Tender Negotiations**
- Contractors can alter their tenders or quotations after the date specified for their receipt but before the acceptance of the tender or quotation, where examination of the tender or quotation documents reveals arithmetical errors or discrepancies which affect the tender or quotation figure. The contractor shall be given details of all such errors or discrepancies and afforded an opportunity of confirming, amending or withdrawing his offer.

In evaluating tenders, the appropriate Manager may invite one or more contractors who have submitted a tender to submit a revised offer following post-tender negotiations.

All post-tender negotiations shall -

- only be undertaken where permitted by law and where the appropriate Head of Service/Service Manager, Head of Legal and Democratic Services and Assistant Director (Financial & Resources) consider additional financial or other benefits may be obtained which over the period of the contract shall exceed the cost of the post-tender negotiation process;
- be conducted by a team of officers approved in writing by the appropriate Heads of Service/ Service Managers, Head of Legal and Democratic Services and Assistant Director (Financial & Resources);
- be conducted in accordance with guidance issued by the Head of Legal and Democratic Services; and
- not disclose commercially sensitive information supplied by other bidders for the contract.

Post-tender negotiations shall not be used to degrade the original specification unless the capital or revenue budget is exceeded, or if appropriate Head of Legal and Democratic Services considers other special circumstances exist, in which case all those contractors who originally submitted a tender shall be given the opportunity to re-tender.

The appropriate Manager shall ensure that all post-tender negotiation meetings are properly minuted with all savings and benefits offered clearly costed. Following negotiations but before the letting of the contract, amendments to the original tender submitted shall be put in writing by the contractor(s) and shall be signed by him.

11. TERMS OF BUSINESS AND THE FORM OF CONTRACTS

- 11.1** All orders placed by the Council shall be on the Council's Terms and Conditions (T&Cs). Managers shall not use Contractor's documentation to order, acknowledge, instruct to proceed or make any other commitment where the documentation makes any reference to the Contractor's T&Cs. Where a contractor formally insists on trading on T&Cs other than the Council's T&Cs, the Procurement Manager shall be informed, except for -
- Any contract where the estimated total value is likely to exceed £50,000, paragraph 11.2 shall apply.
 - Any framework or contract formally adopted by the Council.
 - Purchasing Agency (eg ESPO, Government Procurement) arranged contracts and orders.
 - Orders of a total value of less than £ 5,000 where the goods or service are purchased on a 'retail' basis on terms available to the general public.
 - Orders for software where the licence is for 'standard' product but not where customisation, development or on-site is required for the 'standard' product.
- 11.2** Every contract that exceeds £50,000 in value shall be in writing in a form approved by the Head of Legal and Democratic Services who shall also determine the format of any contract for a lesser value. Managers shall ensure that advice of the Head of Legal and Democratic Services is sought at a stage as early as practicable (normally before the issue of an Invitation to Tender).

11.3 In the case of any contract for the execution of works or for the supply of goods, services or materials, the Manager after consulting with the Assistant Director (Finance & Resources) and the Head of Legal and Democratic Services shall consider whether the Council should require security for its due performance and shall either certify that no such security is necessary or shall specify in the specification of tender the nature and amount of the security to be given. In the latter event, the Council shall require and take a bond or other sufficient security for the due performance of the contract.

11.4 Managers shall produce the final version of all contracts in 2 copies and present both to the Authorised Officer for signature. Once signed by the contractor, the signed contract, all original documents, including specifications, drawings, tender documents and correspondence relating to a contract exceeding a total value of £50,000 shall be forwarded by the Head of Legal and Democratic Services. Where the total value of the contract is less than £50,000 the relevant Manager shall make arrangements for the retention of all the original documentation.

11.5 Managers shall maintain a record (in the form detailed in the Procurement Protocols & Guidance) for their area of each contract or agreement (both written and verbal agreements).

11.6 Managers shall include the specific T&Cs listed in the Procurement Protocols & Guidance in all contracts. Where a Manager considers a term or condition inappropriate they shall seek advice of the Head of Legal and Democratic Services on the modification or deletion of the term or condition.

12. LETTERS OF INTENT

12.1 Letters of intent provide a contractor with the authority to proceed prior to the award of a contract. However, letters of intent have two main disadvantages:-

- (a) if the contract is not awarded the contractor is entitled to payment regardless as to whether the work was actually needed;
- (b) the Council's negotiating position is weakened as the contractor may believe actual award of contract is a formality and therefore, the contractor may refuse to accept conditions that are seen as disadvantageous.

12.2 Managers shall ensure that:-

- (a) all letters of intent are in a form approved by Head of Legal and Democratic Services; and
- (b) all letters of intent are signed by an Authorised Officer with sufficient authority for either the value of the intended contract or the estimated value of any 'extension' period defined in the letter of intent.

13. POST-TENDER DEBRIEFS

For all contracts greater than £5k Managers shall maintain records of selection and evaluation scoring and where requested by participating suppliers, provide a suitable post-tender debrief. For contracts greater than £50k, the advice of the Procurement Manager shall be sought on the format and scope of the debrief.

14. LOCAL GOVERNMENT ACT – COMMUNITY RIGHT TO CHALLENGE

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

15. RETENTION OF DOCUMENTS

15.1 Managers shall ensure that every contract or quotation is assigned the Unique Reference Number (URN) from the Contract Register, which is to be used in all correspondence. Any Division or reference may be included in addition to the URN shall comprise abbreviation for the Division and year. Formal amendments to a contract or order should also be given unique numbers showing the order in which the amendments were made.

15.2 Documentation retention periods are dictated by the Statute of Limitations and (where applicable) EU requirements. The following rules apply:-

- (a) retention for 12 years from the date of completion of the contract for contracts made under deed;
- (b) retention for 6 years from the date of completion of the contract: -
 - Contract Documents
 - Hire/Rental Agreements
 - Successful Tenders
 - Summary of Tender Opening
 - Disposal Board papers
 - All selection and evaluation scoring and reports
 - Goods Received Notes
 - HM Customs and Excise Import documentation
 - Invitations to Tender/Quotation Requests
 - Maintenance/Software licence agreements
 - Specifications
 - Successful Quotations
 - Suppliers' Advice Notes;
- (c) retention for 3 years after the last entry -
 - Stock and Purchase Record Cards or Registers;
- (d) retention for 2 years after the financial year to which the document relates -
 - Unsuccessful Quotations.
 - Unsuccessful Tenders.

16. FREEDOM OF INFORMATION ACT 2000 (FOIA)

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

17. CONSULTANTS

17.1 It shall be a condition of the engagement of any consultant, agent or professional adviser who is to be responsible to the Council for the management or supervision of a contract on its behalf, that in relation to that contract he shall -

- comply with this Code as though he were an employee of the Council;
- at any time during the carrying out of the contract produce to the appropriate Head of Service/Service Manager, on request, all the records maintained by him in relation to the contract; and
- on completion of the contract transmit all records that he has produced or received that relate to the contract to the appropriate Head of Service/Service Manager.

18. PROCUREMENT TRAINING

18.1 The Procurement Manger shall create, maintain and arrange the delivery of training for Officers undertaking procurement duties.

18.2 Managers shall ensure that all Officers routinely undertaking purchasing or procurement duties have undertaken appropriate training.

18.3 LGSS HR and Payroll Services shall arrange to record the details of staff that have completed suitable procurement training.



The Document Centre
HPS-0967