APPENDIX A

HIGH PEAK BOROUGH COUNCIL

MEDIUM TERM FINANCIAL PLAN 2021/22 to 2024/25

February 2021

INDEX

1. INTRODUCTION

1.1. The Medium Term Financial Plan (MTFP) is a key element of the Council's budget and policy frameworks. It aims to ensure that resources are directed effectively and efficiently towards delivery of the Council's Corporate Plan. It describes the financial direction of the Council for planning purposes and outlines the financial pressures the Council is likely to experience over the next 4 years.

1.2. The medium-term financial planning process establishes how available resources will be allocated to services in line with the Council's priorities which have been determined following consultation with residents, councillors and other stakeholders. The process facilitates the Council in planning the prudent management of its finances, in building resilience and in providing for the needs of residents over the long term.

1.3. The MTFP is updated regularly to fit in with the budget cycle. This review of the MTFP builds on the existing plan and updates assumptions to reflect known changes to income, costs and funding. The plan incorporates revenue and capital financial projections over the four years 2021/22 to 2024/25. It also includes an assessment of key risks and a presentation of longer-term financial issues which have the potential to impact on the Council.

1.4. The Council will demonstrate economy, efficiency and effectiveness in the application of its resources. Value for Money (VFM) is maximised when there is an optimum balance between economy, efficiency and effectiveness.

2. STRATEGIC PRIORITIES

2.1. The Medium Term Financial Plan is driven by local priorities. The Council's spending strategy is set out in the Corporate Plan formally adopted by members of the Council.

2.2. Following the elections in May 2019 and new political administration, there was a fundamental review of the Corporate Plan focussing on the period 2019-2023 (up to the end of the current political administration). The Corporate Plan was agreed by Council on 15th October 2019 with 2020/21 representing the first full year of the new Corporate Plan – albeit a very challenging year with the pandemic pressures to deal with.

2.3. The Council's 4-year Corporate Plan (2019-2023) establishes the Council's vision, corporate objectives and key priorities for the medium term. It in effect establishes the Council's commitment in the delivery of service and community leadership to the residents of the High Peak.

2.4. The delivery of the Corporate Plan will be measured through the Performance Framework. A set of local performance indicators and targets will be established in preparation for the start of the financial year 2020/21 by the Corporate Select Committee. The 2020/21 performance framework was reviewed in year to account for the impact of Covid 19 on the Council's performance.

2.5. The Council's Corporate Plan is a document that needs to be owned by the whole Council. As a consequence the Council held a members priority setting day held in July 2019 – the views have been taken into account in the development of the new plan and will also be important in developing the supporting performance framework.

2.6. The Medium Term Financial Plan has been updated to reflect the contents of the plan and to ensure that resources are directed towards key priorities.

2.7. The Council's vision is expressed as:

"Working together to protect and invest in the High Peak with the Council on your side"

This vision is articulated further by four aims:

- Supporting our communities to create a healthier, safer, cleaner High Peak
- A responsive, smart, financially resilient and forward thinking council
- Protect and create jobs in the High Peak by supporting economic growth, development & regeneration
- Protect and improve the environment including responding to the climate emergency

2.8. The first aim recognises that the Council has a broader role and has to work with partners to deliver more holistic outcomes. The second aim commits to the continuous improvement of services and reinforces the desire to provide value for money.

2.9. The third and fourth aims form the additional ambitions of the Council which continue to be focused around supporting the development of the local economy and protecting the environment.

2.10. These aims are supported by a number of objectives which also provide the framework for the delivery of service plans. The Council's objectives are summarised below:

	Aim	Objectives
1	Supporting our communities to create a healthier, safer, cleaner High Peak	• Effective relationship with strategic partners • Effective provision of high-quality public amenities, clean streets and environmental health • Fit for purpose housing that meets the need of tenants and residents • Practical support of community safety arrangements • Provision of high quality leisure facilities both in formal leisure centres and swimming pools and out in our communities • Work with our partners and the community to address health inequality, food and fuel poverty, mental health and loneliness

	Aim	Objectives
2	A responsive, smart, financially resilient and forward thinking Council	• Ensure our future financial resilience can be financially sustainable whilst offering value for money • Ensure our services are readily available to all our residents in the appropriate channels and provided “right first time” • Invest in our staff to ensure we have the internal expertise to deliver our plans by supporting our high performing and well motivated workforce • More effective use of Council assets to benefit our communities • Effective procurement with a focus on local businesses • Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment
3	Protect and create jobs in the High Peak by supporting economic growth, development & regeneration	• Encourage business start-ups and enterprises • Work to create flourishing town centres and thriving high streets that support the local economy • Promote tourism to maximise local benefit • High quality development and building control with an “open for business approach” • Car parking arrangements that meet the needs of residents, businesses and visitors • Working to support existing local businesses, both large and small across the High Peak as they respond to future challenges • Supporting the development of innovative green jobs and businesses across the High Peak
4	Protect and Improve the Environment including responding to the climate emergency	• Effective recycling and waste management • Effective provision of quality parks and open spaces • Meeting the challenge of climate change and working with residents and business across the High Peak to implement the climate change action plan

2.11. The Council is committed to playing the lead role in championing the local area. In so doing the Council recognises its community leadership role. Fulfilling this role effectively means influencing partners in a number of key areas in order to ensure that services are shaped and delivered around the needs and aspirations of citizens. The Council’s influencing role will be focused in the following priority areas:

- Work with Derbyshire County Council and other partners to enable high speed internet across the borough
- Support the development of more cycle routes whilst working with Derbyshire County Council and residents to ensure harmony amongst road users
- Working with regional partners such as Derbyshire County Council, Greater Manchester Combined Authority and the Sheffield City Region to improve public transport links across the borough and extend the GM rail ticketing boundary
- Encouraging local organisations and businesses to reduce their carbon footprint
- Ensure the best use of public assets across the borough by working via the One Public Estate project

2.12. The Council will also continue to seek to influence our partners in the following long term projects:

- Work with the private sector on regeneration schemes including The Crescent and Torr Vale Mill
- Pressing for more regular and faster rail links and public transport links and essential road infrastructure (i.e. A628 / A6 bypasses, Whaley Bridge 2nd Bridge, Gamesley Station)
- Supporting the completion of the off road route for the Trans Pennine Trail and access to the Monsal and Tissington Trails
- Maintaining the provision of accessible health of social care and working with partners to ensure health and well being
- Support the police in dealing with anti social behaviour
- Work with partners to bring additional funding into the borough

2.13. The Plan identifies key priority outcomes, which will be the highest priority in the development of performance targets and key actions. A significant proportion of the Council's resources will be directed towards achieving them:

Aim	Priority Outcomes
Supporting our communities to create a healthier, safer, cleaner High Peak	• Improved housing repairs service • Improved private sector housing conditions • Increased supply of affordable housing • Increased level of community support
A responsive, smart, financially resilient and forward thinking Council	• Increased use of local firms through procurement • Provision of more apprenticeships • Increased levels of customer satisfaction • Better engagement with our local communities
Protect and create jobs in the High Peak by supporting economic growth, development & regeneration	• Increased economic growth • Higher paid employment • New tourism opportunities • Thriving and flourishing town centres and high streets
Protect and improve the environment including responding to the climate emergency	• Reduction in carbon emissions • Reduced levels of environmental crime • Appropriate response to the climate emergency declaration through a deliverable plan

2.14. The Council maintains a Strategic Alliance with Staffordshire Moorlands District Council, formed around the principle of shared services in the pursuit of efficiency and realisation of savings. The Strategic Alliance has enabled the implementation and transformation of a joint management structure and services, consequently realising significant efficiency savings.

2.15. The Council intends to continue to drive savings and service improvements through collaboration with its Alliance partner.

3. CURRENT SPENDING LEVELS

3.1. The starting point for the development of the MTFP is the current level of spending and the approved capital expenditure commitments.

General Fund Revenue Budget

3.2. The Council's current year (2020/21) General Fund budget can be summarised as follows:

Income and Expenditure	2020/21 Budget
	£
Employees	10,475,150
Premises	4,210,120
Transport	398,340
Supplies & Services	9,103,980
Benefits	82,460
Borrowing	1,837,940
Parish Grant	51,320
Financing Costs	22,130
Total Expenditure	**26,181,440**
Fees and Charges / Other Income	(7,147,790)
Interest Receipts	(160,000)
Capital Recharges	(231,240)
HRA Recharges	(7,739,940)
Net Expenditure	**10,902,470**

3.3. The net expenditure is financed as follows:

Financing	2020/21 Budget
	£
Council Tax	(6,051,540)
Government Funding	-
New Homes Bonus	(647,250)
Business Rates Retention	(3,797,710)
Collection Fund Deficit	(455,320)
Contribution to / (from) Reserves & Balances	49,350
Total Financing	**(10,902,470)**

Housing Revenue Account Budget

3.4. The Housing Revenue Account (HRA) is a 'ring-fenced' account that ensures the management and maintenance of the Council's housing stock is funded from the income generated by rents and other related sources.

3.5. The Council's current year (2020/21) Housing Revenue Account budget can be summarised as follows:

Budget Heading	2020/21 Budget
	£
Repairs & Maintenance	4,299,300
Supervision & Management	2,618,150
Rates, Rents, Taxes, Charges	113,030
Other Operating Expenditure	761,310
Depreciation & Impairment Charges	2,099,030
Interest & Debt Management Charges	2,746,340
HRA Contribution to Capital Programme	3,178,060
Total Expenditure	**15,815,220**
Dwellings Rents	(14,370,910)
Non - Dwelling Rents & Other Income	(629,440)
Total Income	**(15,000,350)**
Original (Surplus) / Deficit for year	**814,870**

3.6. Following approval to carry forward capital schemes of £120,000 from 2019/20, the original in year deficit of £814,870 was amended to an in year deficit position of £934,870.

General Fund Capital Budget

3.7. The medium-term projection for General Fund capital commitments approved by Council in February 2020 is detailed below:

Service Area	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£	£	£	£	£	£
Housing	27,000	667,000	374,000	504,000	504,000	2,076,000
Asset Management	1,656,500	2,520,300	2,676,640	588,720	1,555,850	8,998,010
Housing Grants	495,660	550,290	489,110	489,110	489,110	2,513,280
ICT Strategy	135,000	87,050	50,000	50,000	50,000	372,050
Fleet Management	2,467,010	691,500	725,780	172,000	653,430	4,709,720
Other Schemes	547,350	134,610	50,000	0	-	731,960
Total Programme	**5,328,520**	**4,650,750**	**4,365,530**	**1,803,830**	**3,252,390**	**19,401,020**
Financed by:-						
External Contributions	585,460	550,290	489,110	489,110	489,110	2,603,080
Planning Obligations	33,000	-	-	-	-	33,000
Capital Receipts(Land)	1,024,080	725,000	2,525,000	810,720	2,219,280	7,304,080
Capital Receipts(one for one)	27,000	667,000	374,000	504,000	504,000	2,076,000
Capital Receipts (Vehicles)	-	32,500	18,750	-	18,750	70,000
Capital Reserves	500,000	-	-	-	-	500,000
Earmarked Reserves	14,450	50,000	-	-	-	64,450
Borrowing	3,144,530	2,625,960	958,670	-	21,250	6,750,410
Total Financing	**5,328,520**	**4,650,750**	**4,365,530**	**1,803,830**	**3,252,390**	**19,401,020**

Housing Revenue Account Capital Budget

3.8. The medium-term projection for Housing Revenue Account capital commitments approved by Council in February 2020 was as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£	£	£	£		£
Asset Management works	2,351,910	4,639,590	3,800,060	4,341,600	2,370,060	17,503,220
Repairs Team Capital works	249,900	295,000	295,000	295,000	295,000	1,429,900
Asset Purchases	0	242,500	-	420,000	-	662,500
Commissioning Costs	100,000	100,000	100,000	100,000	100,000	500,000
ICT Strategy	-	-	200,000	-	-	200,000
Total Programme	**2,701,810**	**5,277,090**	**4,395,060**	**5,156,600**	**2,765,060**	**20,295,620**
Major Repairs Reserve	2,099,030	2,099,030	2,099,030	2,099,030	2,099,030	10,495,150
HRA Contribution	541,780	3,178,060	2,296,030	3,057,570	666,030	9,739,470
Capital Receipts	61,000	-	-	-	-	61,000
Total Financing	**2,701,810**	**5,277,090**	**4,395,060**	**5,156,600**	**2,765,060**	**20,295,620**

Reserves

3.9. The MTFP presented in February 2020 did flag the risks around the outcomes of national funding reviews (i.e. fair funding; business rates retention; and new homes bonus) which may have a detrimental impact on the future financial position.

3.10. The forecast general fund reserves position over the life of the February 2020 approved MTFP is shown below:-

Contingency Reserves	2019/20 (£)	2020/21 (£)	2021/22 (£)	2022/23 (£)	2023/24 (£)
Balance at Year End	2,837,990	2,976,280	2,798,700	2,728,820	2,855,900
Minimum Requirement	1.203,000	1,332,000	1,332,000	1,332,000	1,332,000
Headroom	1,634,990	1,644,280	1,466,700	1,396,820	1,523,900

3.11. HRA balances were forecast to total 16.3million at the end of 2019/20.

4. Coronavirus Pandemic

4.1. The Coronavirus pandemic has had, and is likely to continue having, an adverse impact on the Council's financial position. The financial impact is arising from additional expenditure in dealing with the crisis both externally and organisationally, lost income and savings targets that may not be met within the same timeframe due to resources being diverted elsewhere.

4.2. There is concern about the longer-term financial impact this will have on the delivery of corporate plan objectives. Therefore, to attempt to understand and forecast this and to allow more time to effectively plan the longer term response, an early review of the MTFP was undertaken and this was presented to Members in September 2020.

4.3. The September update focused on updating the MTFP as approved in February 2020 - therefore no additional financial years were added and no additional budget demand items were included. The review simply updated the current MTFP in light of the estimated financial impact of Covid-19.

4.4. A second update was then presented in November, which moved the MTFP on, adding an additional year, focusing on the 4 year period 2021/22 – 2024/25. The September / November MTFP updates highlighted a forecast use of reserves would now be required over the 4 years in order to balance the MTFP position (as opposed to a contribution which was originally forecast in February 2020) :-

MTFP Version	Use of / (Contribution to) Reserves
Feb 2020	(£17,910)
Sept 2020	£1,709,910
Nov 2020	£1,741,630

4.5. This version of the MTFP updates the forecasts included in November based on the provisional settlement information released in December, latest economic forecasts, coronavirus pandemic response and recovery impact and assumptions around the timing and level of capital and revenue expenditure and income.

4.6. The 2020/21 forecast has been updated as part of the Quarter 3 Financial Update.

4.7. In summary, the Quarter 3 Financial Update forecasts a £419,390 surplus for 2020/21 after taking into account Covid-19 related funding. The surplus is mainly due to the indirect impact of the pandemic on the council's underlying level of activity with demand for services reduced and initiatives delayed or curtailed. These savings mask a £228,000 predicted shortfall between the direct impact of Covid 19 and the level of Government support received.

4.8. When establishing the 2020/21 budget, it included a contribution into general fund contingency reserves of £0.114million. Therefore, the forecast surplus position results in a variance to this assumption of £0.419million – with an overall £0.533million contribution to contingency reserves.

4.9. At the end of 2019/20, the Council established a Covid-19 earmarked reserve specifically to support with the financial impact of Covid-19 totalling £200,000 - utilising part of the 2019/20 underspend generated.

4.10. Based on the quarter 3 projection, the full £200,000 is proposed to be drawn from the earmarked reserve. This would effectively reduce the impact of Covid 19 on the 2020/21 outturn to £28,000 increasing the surplus to £619,390 and the contribution to contingency reserves to £0.733million

4.11. The Quarter 3 financial update projects a £1.498million underspend against the 2020/21 HRA budget (largely as a result of a delay in the delivery of the capital programme), and is showing no significant adverse financial impact of Covid-19 in terms of loss of income/additional costs as yet.

4.12. The 2020/21 financial position will be monitored throughout the remainder of the year taking into account the actual recovery of income levels and services and any further updates on Government funding

Government Covid-19 Funding

4.13. The Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) announced a package of financial support for local government, providing three central pillars of support:

COVID-19 related expenditure

- An overall £4.3 billion non ring-fenced allocation. The allocations reflect the factors from which the MHCLG monthly data returns (as completed by each Local Authority) correlate most closely with expenditure. The allocations also take account of population, deprivation and the way that service costs vary across the country.

Irrecoverable income loss

- Recognises that Councils have lost a great deal of income from sales, fees and charges (SFC) since the start of the pandemic.
- Reimbursements of lost income where these losses are more than 5% of planned income - Government will fund 75p in every pound. The income scheme will cover transactional income from the delivery of services which is unavoidably irrecoverable – this will be the net loss. The 5% deductible will be based on total SFC's budgets - it is not a line by line analysis. No forms of commercial income will be covered by this scheme.

Losses in tax revenue

- Tax deficits can be repaid over three years rather than the usual one
- There is uncertainty at this point how much tax loss will materialise, so the government will agree a fair apportionment of irrecoverable council tax and business rates losses, between central and local government, for 2020 to 2021.

4.14. In addition, Government has provided financial support to Councils to:

- administer the business grants and self-isolation payment process
- support homelessness activity
- support the reopening of high streets
- support with the cost of compliance and enforcement of Covid restrictions
- support the recovery of the Leisure sector (subject to claim)

4.15. The Council has also received funding from Derbyshire County Council to support track and trace compliance and enforcement duties.

4.16. The table below provides a summary of Government and County funding (confirmed and estimated)

Covid Grant Support	HPBC £
Covid 19 General Support- Phases 1 to 4	1,256,991
Covid 19 Grants Admin Support	271,262
Covid 19 Income Loss Support (est)	516,750
Covid 19 Leisure Recovery Fund (est)	160,000
General Support	**2,205,003**
Covid 19 Track & Trace (via County)	50,000
Covid 19 Compliance Enforcement	38,818
Service Specific Support	**88,818**
Total	**2,293,821**

Tier Classifications / Second National Lockdown

4.17. In an attempt to contain localised increases in Covid-19 cases, the Government introduced a tiered system at the end of September 2020. The tiers (originally three) – medium, high and very high – represented various restrictions dependent on the classification.

4.18. The northern part of High Peak (Glossopdale area) was placed in 'tier 2' from 14th October, with the rest of High Peak placed in the 'tier 2 – high' category from 31st October 2020 – which introduced restrictions on household mixing indoors.

4.19. However, on 31st October, the Prime Minister announced a second national lockdown in England from 5th November to 2nd December. Similar to the first national lockdown, all non-essential shops, leisure and hospitality businesses are required to close, but education facilities will this time remain open.

4.20. The Borough was then placed in Tier 3 from 2nd December, with some businesses then allowed to reopen (hospitality, accommodation and some leisure businesses still closed) and has subsequently been placed in the new 'Tier 4 – Stay at Home' from 31st December – which effectively replicates the second lockdown position with non-essential shops / personal care businesses closing again.

4.21. As of 5th January 2021, England has been placed into a full national lockdown with schools also closing.

4.22. There will no doubt be an impact on the provision of Council services and consequential increased costs / reduced income. This impact will be estimated within the report and assumptions made in respect of further Government funding as a result of the national lockdown.

5. TRANSFORMATION PROGRAMME

5.1. Introduction

5.1.1. The Council's 'transformation programme' incorporates all major projects which meet the strategic priorities of the Authority and have significant financial implications, including:

- The Capital Programme
- Housing Revenue Account
- Treasury management implications
- The Efficiency and Rationalisation strategy
- The Council's major contracts
- Member Priority Projects

5.1.2. The delivery of transformation programme projects is monitored by a Transformation Board made up of Directors, along with key Heads of Service and officers. A Director is allocated as 'project executive' and a full business case appraisal is completed for each project.

5.1.3. The progress and current financial projections of the transformation programme is explored below along with any potential revenue consequences. Any further work required to identify the financial implications of the programme are discussed and will feed into future MTFP updates.

5.2. Capital Strategy

5.2.1. In accordance with the requirements of the 2017 edition of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities, the Capital Strategy has been updated for 2021/22.

5.2.2. The Strategy, which is being presented to members alongside this report, explains how capital expenditure and investment decisions are taken in line with the Council's Corporate Plan and service objectives, taking account of stewardship, value for money, prudence, risk management, sustainability and affordability.

5.2.3. The Capital Strategy is detailed in **APPENDIX B.**

5.3. Capital Programme

General Fund Capital Programme

5.3.1. The General Fund Capital Programme approved by members in February 2019 has been reviewed, re-profiled and updated to reflect the latest position in terms of capital projections to 31st March 2025. The review also estimates the impact Covid-19 has had on delivery of the approved programme. Some projects have inevitably been delayed due to the lockdown periods, social distancing measures and contractor availability.

5.3.2. Consequently, the five-year capital programme (including 2020/21) is forecast at £22,764,820. The latest capital projections, specifically identifying the major schemes, are summarised in the table below. Full detail is attached in **ANNEX A**.

Service Area	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£	£	£	£	£	£
Housing	170,000	374,000	925,000	504,000	504,000	2,477,000
Asset Management	1,557,060	3,586,450	4,701,060	1,518,800	880,250	12,243,620
Housing Grants	330,000	489,110	489,110	489,110	489,110	2,286,440
ICT Strategy	198,360	67,050	50,000	50,000	50,000	415,410
Fleet Management	162,750	1,527,330	187,500	698,080	88,500	2,664,160
Other Schemes	283,040	2,355,150	40,000	-	-	2,678,190
Total Revised Programme	**2,701,210**	**8,399,090**	**6,392,670**	**3,259,990**	**2,011,860**	**22,764,820**
Financed by:-						
External Contributions	523,070	3,762,090	1,456,770	489,110	489,110	6,720,150
Planning Obligations	43,000	-	-	-	-	43,000
Capital Receipts(Land)	57,180	250,000	905,000	2,255,880	998,000	4,466,060
Capital Receipts(one for one)	170,000	374,000	925,000	504,000	504,000	2,477,000
Capital Receipts (Vehicles)	-	12,500	62,750	11,000	20,750	107,000
Capital Reserves	100,000	-	-	-	-	100,000
Earmarked Reserves	64,450	-	-	-	-	64,450
Borrowing	1,743,510	4,000,500	3,043,150	-	-	8,787,160
Total Revised Financing	**2,701,210**	**8,399,090**	**6,392,670**	**3,259,990**	**2,011,860**	**22,764,820**

5.3.3. The capital projections above include the carry forward of £385,670 capital budgets from 2019/20; an increase to the 2020/21 programme of £10,000 (Contribution to support project to develop Road Football Club and Community Hub, Glossop)

Housing Revenue Account Capital Programme

5.3.4. The Housing Revenue Account Capital Programme approved by members in February 2020 has been reviewed, re-profiled and updated to reflect the latest position in terms of capital projections to 31st March 2025. The review also estimates the impact Covid-19 has had on delivery of the approved programme. Some projects have inevitably been delayed due to the lockdown periods, social distancing measures and contractor availability.

5.3.5. Consequently, the five-year capital programme (including 2020/21) is forecast at £24,629,670. The latest capital projections, specifically identifying the major schemes, are summarised in the table below. Full detail is attached in **ANNEX A.**

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£	£	£	£	£	£
Asset Management works	3,577,090	5,507,170	4,582,770	3,718,210	4,360,090	21,745,330
Repairs Team Capital works	204,840	295,000	295,000	295,000	295,000	1,384,840
Asset Purchases	90,000	289,500	420,000	-	-	799,500
Commissioning Costs	100,000	100,000	100,000	100,000	100,000	500,000
ICT Strategy	-	100,000	100,000	-	-	200,000
Total Programme	**3,971,930**	**6,291,670**	**5,497,770**	**4,113,210**	**4,755,090**	**24,629,670**
Major Repairs Reserve	2,099,030	2,099,030	2,099,030	2,099,030	2,099,030	10,495,150
HRA Contribution	1,872,900	4,192,640	3,398,740	2,014,180	2,656,060	14,134,520
Total Financing	**3,971,930**	**6,291,670**	**5,497,770**	**4,113,210**	**4,755,090**	**24,629,670**

5.3.6. The capital projections above include the carry forward of £120,000 from 2019/20 as approved by The Executive in August 2020.

Asset Management Plan (AMP) – General Fund

5.3.7. It is essential that the Council maintains an asset base, which delivers the ambitions of the Corporate Plan – however, this needs to be affordable. The Capital Strategy sets out the outcomes and actions emerging from a report presented to the Executive in July 2016 – which was based on the result of asset condition surveys completed on the Council's property portfolio

5.3.8. This included the potential capital and revenue financial implications of maintaining the Council's current property assets over a 30 year period, as summarised below:-

HPBC - Capital Investment Required (as at July 2016)	2016-17 - 2019-20 (MTFP)	2020-21 - 2045-46 (26 Years)	TOTAL
Public Buildings	8,450,983	6,188,951	**14,639,934**
Car Parks	120,000	3,754,462	**3,874,462**
Public Conveniences	123,400	949,300	**1,072,700**
Waterways & Infrastructure Assets	671,360	1,230,000	**1,901,360**
Leisure Centres	45,000	6,825,129	**6,870,129**
Depots and Parks Buildings	144,700	1,301,785	**1,446,485**
TOTAL	**9,555,443**	**20,249,627**	**29,805,070**
Revenue Consequences	***295,619***	***592,838***	***888,457***

5.3.9. This position has been reviewed and updated annually to take account of any changes and updates to stock information since July 2016, and has subsequently been reviewed again for the purposes of this report

5.3.10. The table below reflects the updated capital investment requirements as at February 2021, adjusted for 2019/20 actual outturn and any in-year re-profiling that has taken place in 2020/21 and changes to spending plans. This increases the overall forecast capital spend by £4,419,317 over the 30 years from the original position; as reported in July 2016. (Latest projections include an allocation of £4,154,750 for the Glossop Halls Project - see 5.3.35)

HPBC AMP Capital Investment	2016-17 (Actuals)	2017-18 (Actuals)	2018-19 (Actuals)	2019-20 (Actuals)	MTFP		2025-26 to 2046-47	TOTAL
					2020-21 to 2023-24	2024-25	(21 Years)	
	£	£	£	£	£	£	£	£
Public Buildings	339,450	2,124,080	2,362,860	1,301,200	7,505,890	666,320	4,361,998	18,661,798
Car Parks	-	87,080	39,530	43,070	1,004,620	-	2,609,489	3,783,789
Public Conveniences	-	4,970	-	-	410,710	-	633,600	1,049,280
Waterways Infrastructure	51,280	170,680	35,260	255,780	902,460	100,000	781,830	2,297,290
Leisure Centres	540	72,850	26,510	14,670	804,690	108,630	5,413,145	6,441,035
Depots Parks Cemeteries	-	5,400	-	23,210	735,000	5,300	1,222,285	1,991,195
Total	**391,270**	**2,465,060**	**2,464,160**	**1,637,930**	**11,363,370**	**880,250**	**15,022,347**	**34,224,387**
Revenue Consequences	-	*18,740*	*75,050*	*73,550*	*273,560*	*30,380*	*354,110*	*825,390*

5.3.11. The Council will be developing an Asset Management Strategy over the next 12 months to ensure the future delivery of efficient asset management. This work will be progressed once the condition surveys have been undertaken and the updated 30 year costs of maintaining the general fund asset stock are known. The above will then be reset.

5.3.12. Any positive revenue implications of the asset management strategy, for example, reduced annual maintenance and utility costs due to fewer and/or more efficient buildings and income receipts from shared accommodation with partners will be taken towards the efficiency programme.

Asset Management Plan (AMP) - Housing

5.3.13. The Executive agreed to complete a full condition survey on the Council's portfolio of housing properties by March 2019. The Capital Strategy and HRA Business Plan (presented alongside the MTFP in February 2019) set out the outcomes and actions emerging from this.

5.3.14. The actual stock condition survey results suggested that a lower level of capital spend is required in the earlier years of the 30 year Business Plan. However, some re-profiling of expenditure has taken place to increase the capital spend in the early years, with an early focus on ensuring decent homes standards are maintained:-

	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
Original Programme	5,277,090	4,395,060	5,156,600	2,765,060	4,599,130
Approved Carry Forwards	120,000	-	-	-	-
Re-Profiling:					
Lift Replacements	(182,000)	580,000	125,000	(100,000)	(104,040)
Bathrooms	(220,000)	(30,000)	250,000	-	-
Kitchens	100,000	(200,000)	100,000	-	-
Electrical Works	(260,000)	-	-	-	260,000
Central Heating	(224,630)	130,000	-	-	-
Queens Court Boiler	(200,000)	50,000	150,000	-	-
Windows and Doors	(66,430)	603,840	(537,410)	-	-
Gamesley Cladding	(75,000)	250,000	125,000	-	-
Environmental and Other Works	38,400	(316,730)	(611,420)	948,150	-
Disabled Adaptations	(183,000)	-	-	-	-
Vehicle Purchases	(152,500)	289,500	-	-	-
Housing ICT Strategy	-	(100,000)	100,000	-	-
New Projects:					
Rendering Programme	-	500,000	500,000	500,000	-
Sheltered fire Alarm Upgrades	-	140,000	140,000	-	-
Re-Profiled Programme	**3,971,930**	**6,291,670**	**5,497,770**	**4,113,210**	**4,755,090**

5.3.15. From the work undertaken at this point, the stock condition results remain affordable with the 30-year HRA business plan. The condition surveys are due for review (on a sample basis) in 2022/23.

Buxton Crescent

5.3.16. The Buxton Crescent Hotel and Thermal Spa construction stage has completed. The Hotel opened for one month in October before being closed due to national Coronavirus restrictions. An additional £50,000 budget has been added to the capital programme to cover final project management and other professional fees up until the signing of the main lease in February

5.3.17. The Council is working with the Hotel to reconfigure the Undercroft car park at Pavilion Gardens to lease car parking space for hotel guest parking.

5.3.18. Business Rates income has been estimated until we have confirmation from the Valuation Office of the Rateable Value; it is included in the Business Rates Retention funding budgets.

Housing Grants

5.3.19. The Borough Council is the duty holder under the Housing Grants, Construction and Regeneration Act 1996 for the mandatory Disabled Facilities Grant and this status remains despite changes to funding arrangements. All eligible applicants are entitled to receive mandatory funding for certain major adaptations to their properties. The funding for these adaptations has previously been given directly to the Council but from 2015/16, the funding was incorporated into the Better Care Fund (BCF) and paid to the County Council.

5.3.20. The Better Care Fund is a single pooled fund for all health and social care provision and covers the whole range of services including public health, social care services and clinical commissioning groups.

5.3.21. The mechanism for the payment of funds from the fund holder to the Borough Council year on year is now governed through the BCF Commissioning Group, which makes the award based on the Assurance Plans submitted annually by each Council. The Plans outline how the allocated budget will be spent; including any discretionary or innovative schemes agreed between the Councils and the County Council and identifies the monitoring programme. The Plan requires a quarterly progress update submission to the Commissioning Group, and these updates will inform the discussion around the subsequent year's allocation.

5.3.22. There is currently no waiting list for DFG assessments, based on current information (as at Quarter Three), the allocation for 2020/21 will not be fully utilised to the current year's grants programme; this will bring the Disabled Facility reserve up to £0.7m at year end.

ICT Strategy

5.3.23. The framework for the existing ICT Strategy was established in 2014/15. The key drivers of which were to support delivery of the Efficiency and Rationalisation Plan, provide the infrastructure to support joint working, new ways of working and improve access to services for our customers.

5.3.24. Following on from this, a refreshed, updated IT Strategy is currently being developed. The aim of which is to drive a change in culture and deliver the systems, processes and skills required in an environment where information is shared seamlessly though connected systems. This will potentially reduce costs of services through optimisation, improving online services and enabling customers to self-serve. This will also reduce manual administrative tasks, removing paper processes and allowing Officers to focus on high-value tasks.

5.3.25. Consequently, estimated requirements have been included within the MTFP of £243,310 which primarily relate to the implementation of a system to aid waste collection processes and the migration of the cash receipting system.

5.3.26. There are other projects currently at initial business case or procurement stage, for example; housing system review, migration of the current licensing system and review of the customer portal and integration into back office systems. Therefore, at this stage, an additional £50,000 per annum has been added to the programme to reflect this. More accurate costings will be developed as business cases progress.

5.3.27. There is also £100,000 set aside in an earmarked reserve which was established specifically to support with the implementation of the ICT Strategy.

Fleet Management

5.3.28. Fleet management arrangements have been subject to review. Responsibility for maintaining the Council's fleet has now transferred to Alliance Environment Service (AES), however, the responsibility for funding fleet remains with the Council. The fleet review aims to deliver savings to be realised against the efficiency programme by ensuring the most cost effective funding options are selected for the various types of vehicles.

5.3.29. The existing contract hire agreements that were in place were terminated on 30th June 2018, and the majority of vehicles under the agreement were directly purchased. An options appraisal undertaken on the funding of refuse freighters highlighted direct purchase (via the capital programme funded by borrowing or capital reserves/capital receipts) as the most cost effective method of funding.

5.3.30. A Fleet Strategy is currently being drafted which will set out the fleet renewal programme and process, incorporating financial, procurement and operational considerations.

5.3.31. For the purposes of this report, it has been assumed that all replacement vehicle requirements over the next four years will be funded via direct capital purchase – but this will be subject to further funding options appraisals prior to purchase. Therefore, at this stage, the capital programme includes an allocation of £2,664,160 in order to replace vehicles as they reach the end of their useful lives.

5.3.32. Where possible, funds are set aside and held within an earmarked reserve for the purpose of funding short-life capital purchase such as fleet. This further reduces the overall cost of financing the vehicle fleet by reducing borrowing costs.

New/Other Capital Commitments

5.3.33. The below provides details and estimated costs of new capital schemes which the Council is aiming to progress during the 4 year MTFP period as well as any other potential schemes being developed where further work is required to estimate costings:

- ***Glossop Halls Project Cost £5.4m***
  £2million funding has been secured from the D2N2 Getting Building Fund, towards a revised programme of works to reconfigure and refurbish Glossop Market. The Council's capital investment into the project subject to private sector investment is £3.4m

- ***Fairfield Roundabout £2.3m***
  The Council has secured £2m funding from Homes England towards the construction of Fairfield roundabout and link roads. Delivery of this infrastructure will unlock housing sites allocated in the Local Plan. At this stage it is anticipated that the funding shortfall £0.3m will be met from external sources – this will be monitored.

- ***Future High Street Funding (FHSF)***
  The Council has received confirmation that the FHSF bid for the regeneration of Buxton town centre has been in-principle awarded £6.6m. Whilst advised that the bid demonstrated 'overall good value for money', it is less than the £9m requested. In terms of next steps, the Council has been offered £5,000 to support work to now adapt the bid to meet the grant offer.
  This project would require potential significant investment from the Council – at this stage, no financial implications have been included in the MTFP, until the full business case has been completed and formally approved.

- ***Investment in ICT Digital Transformation & ICT Investment - £68,450***
  Includes the migration to a new payments system.

- ***Delivery Programme / Land Disposal Strategy see* Capital Strategy (Appendix B)**

  It is likely that there will be costs incurred associated in delivering the Council's accelerated housing programme and land disposal strategy going forward. However, these are to be assessed based on each scheme (and may be revenue costs rather than capital costs) therefore no provision is included in the capital programme at this stage.

- ***Outdoor Sports Facilities - £100,000***
  Allocation available to support requests for funding of improvements to small outdoor sports facilities

Financing the Capital Programme

5.3.34. The capital programme can be funded from a number of options which include external grants and contributions from third parties, comprising of Government and lottery funding streams; capital receipts from asset sales as part of the asset management plan and sale of council dwellings; earmarked revenue reserves and a planned annual contribution from the Housing Revenue Account to finance construction of and improvements to council dwellings.

5.3.35. Borrowing is undertaken to fund the shortfall after the other capital resources have been used. The current programme includes estimates of external funding of £6.72m towards General Fund projects; reserves of £0.16m; capital receipts of £7.05m (£4.57m General Fund(Land &Vehicles) + £2.48m 1-for-1 RTB), plus Housing Revenue Reserves of £3.972m are forecast to be applied in 2020/21 and a further £20.658 million of Housing Revenue Reserves over the following four years

5.3.36. Where no other resources can be applied, borrowing becomes the funding option for the programme. The Council's estimated General Fund borrowing requirement over the 4 years is shown below (there is no borrowing requirement for the HRA):-

General Fund Borrowing	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Total	4,000,500	3,043,150	0	0

5.3.37. The Treasury Management Strategy then considers whether this is funded externally or internally - both options have a consequence on revenue either through reduced investment income or increased external interest liability as highlighted in the table below. The forecast of capital receipts to be received against capital spending results in a reduced nil borrowing requirement in 2023/24 and 2024/25.

5.3.38. The capital receipts applied to the General Fund include the one-for-one right-to-buy element used to fund capital expenditure on new housing properties. Under Government guidelines, these receipts can only represent 30% of overall expenditure, with a further 70% being required to be allocated. The current strategy is to fund this via a third party where possible, i.e. a social housing landlord or developer, with the third party organisation providing the additional 70% expenditure. Direct property purchases are also being considered where there is a business case for doing so.

5.3.39. The HRA can also apply capital receipts which are not subject to the same restrictions as the one for one receipts to the overall capital programme. There remains a balance held on un-ring-fenced capital receipts which can be applied to future spending as required.

5.3.40. It is proposed to utilise reserves allocated for capital spend (where possible) where an options appraisal on the acquisition of short-life assets such as vehicles, plant and equipment has been carried out and suggests that the most financially viable option is to outright purchase. Similarly, an increase in the contribution to capital is proposed where it is best value to do so for the HRA.

Revenue Consequences of the Capital Programme

5.3.41. The capital investment proposals above will result in estimated revenue consequences as follows:

Revenue Consequences	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Borrowing Costs	36,700	86,770	67,620	0
Other (Income)/Expenditure	(5,670)	(6,660)	(7,890)	(13,550)
General Fund	**31,030**	**80,110**	**59,730**	**(13,550)**
HRA contribution to Capital	1,014,580	(793,900)	(1,384,560)	641,880
Borrowing Costs	-	-	-	-
Housing Revenue Account	**1,014,580**	**(793,900)**	**(1,384,560)**	**641,880**

5.4. Housing Revenue Account (HRA) review

5.4.1. In 2015, Government announced legislative and financial changes for the social housing sector - which had significant negative financial implications for the Council's HRA

5.4.2. Consequently, a fundamental review of the HRA business Plan was undertaken via a sub-committee working group established by the Corporate Select Committee. Through the establishment of a Financial Improvement Plan, focus was directed to areas where reductions in financial provisions in the HRA could be made or additional income could be generated in order to ensure that the longer term financial position can be sustained.

5.4.3. Alongside this, a full stock condition survey was commissioned to provide an understanding of the capital requirements of maintaining the housing stock over the 30 year business plan period.

5.4.4. The work commenced in June 2016 and resulted in an updated sustainable 30 year business plan – as presented alongside the MTFP in February 2019. Based on the savings achieved as part of the Financial Improvement Plan and the updated stock condition information, the updated HRA business plan forecast healthy surpluses over the 30 year period, with a reduction in debt (with no additional borrowing assumed):-

	2018/19 (Year 1 forecast)	**2047/48 (Year 30 forecast)**	**Variance**
Capital Financing Requirement (Debt Level)	£54.9m	£25.9m	**Reduction in debt of £29m**
HRA Working Balance (general reserves)	£11.2m	£53.0m	**Increase in balances of £41.8m**

5.4.5. This report summarises the latest financial forecasts and provides a detailed summary of the financial position from 2021/22 to 2024/25. The updated position now shows an estimated surplus of £590,930 by the end of 2024/25. **APPENDIX C** illustrates the latest high level financial summary of the HRA Business Plan.

5.4.6. The HRA Business Plan highlighted a number of key issues and challenges going forward, for example: impact of the welfare reform, completion of the Financial Improvement Plan savings, understanding tenant priorities, considering the outcomes of estate regeneration reviews, prioritising decent homes standard failures and development of new stock.

5.4.7. An action plan was developed in order to respond to these issues, progression against this will be monitored and any financial impact will be adjusted for within the MTFP and HRA Business Plan going forward.

5.5. Efficiency & Rationalisation Programme

General Fund Efficiency Programme

5.5.1. The current Efficiency and Rationalisation Strategy was approved by Members in February 2017, which identified a programme of £2.1 million (including £431,200 in unachieved efficiencies from the previous efficiency programme) in savings to be made over the period 2017/18 – 2020/21.

5.5.2. The Efficiency and Rationalisation Strategy has the effect of both reducing expenditure and increasing income. The need to grow income is now more of a priority as the Council moves more towards being self-financing i.e. not reliant on direct government funding such as revenue support grant.

5.5.3. The strategy was developed with the underlying principles of protecting frontline service delivery. It is also intended that the strategy is a tool to enable the Council to ensure that its service spending is determined by the established priorities set out in the Corporate Plan.

5.5.4. There are five areas of focus:-

- **Major Procurements** - There is the opportunity to focus attention on a number of large service functions which are currently provided by an external contractor / supplier. A number of significant contracts are coming to an end. This will also allow a fundamental review of these services with proper consideration of the current financial constraints. The contract commitments have sometimes restricted the opportunity to align services across the alliance with Staffordshire Moorlands. The individual projects will focus on Waste Collection & Environment Services, Leisure Management and Facilities Management
- **Asset Management Plan** – continuation of the existing priority of rationalising the Council's asset base with a focus around priorities in order to allow for the necessary capital investment
- **Growth** – development of a clear focus upon housing and economic growth based upon the established Local Plan.
- **Income Generation** – focus on increasing the yield from existing sources on income and a drive towards identifying new sources of income
- **Rationalisation** – a commitment to reducing expenditure on non-priority areas of spend e.g. management arrangements, channel shift, non-statutory services

5.5.5. The below table summarises the financial savings requirements and profile for achievement (**ANNEX B** provides more detail of the savings plan):-

General Fund Efficiency Strategy	2017/18	2018/19	2019/20	2020/21	TOTAL
	£	£	£	£	£
Major Procurements	100,000	275,000	100,000	500,000	**975,000**
Asset Management	-	30,000	200,000	-	**230,000**
Growth	-	40,000	40,000	190,000	**270,000**
Income Generation	90,000	190,000	70,000	120,000	**470,000**
Rationalisation	120,000	46,000	20,000	-	**186,000**
TOTAL	**310,000**	**581,000**	**430,000**	**810,000**	**2,131,000**

5.5.6. Subsequently, a review was undertaken in February 2019 to assess the timing and estimated value of future savings based on the current programme. When setting the MTFP in February 2020, there remained a £0.5 million savings target to be achieved in 2020/21 and 2021/22. Following additional savings that were realised in quarter 4 of 2019/20, the overall target remaining has been reduced to £352,000.

5.5.7. The table below shows the projected re-profiled Efficiency Programme (taking into account the actual 2019/20 efficiency target achieved):-

	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**TOTAL**
	£	£	£	£		£
Original Programme	310,000	581,000	430,000	810,000	**-**	**2,131,000**
Amended Programme	388,000	524,000	714,000	410,000	95,000	**2,131,000**
Variance	**78,000**	**(57,000)**	**284,000**	**(400,000)**	**95,000**	**-**
Achieved Q4 2019/20	**-**		**153,000**	**(153,000)**		**-**
Revised Target	**388,000**	**524,000**	**867,000**	**257,000**	**95,000**	**2,131,000**

5.5.8. The Efficiency Programme continues to progress, however, with the coronavirus pandemic, progression has stalled slightly during 2020/21, with £210,000 in savings realised at the Quarter Three stage in 2020/21 (against an updated target of £257,000).

5.5.9. The Covid-19 recovery phase and impact on the Council's financial position is forecast at this stage to continue into 2021/22 (if not longer). Therefore, it is recognised that delivering the 2021/22 savings requirement of £95,000 (together with any shortfall from 2020/21) may prove difficult. However, there are significant savings planned for realisation in the next 12 months in regard to fleet procurement. In addition, the Council has an earmarked reserve established to support with any reprofiling requirements of the efficiency programme with £200,000 currently set aside. Therefore, if there was a shortfall in achieving savings in 2021/22, this reserve could be used.

5.5.10. No assumptions in respect of any 'new' efficiency programme have been incorporated into this iteration of the plan.

HRA Efficiency Programme

5.5.11. A HRA Financial Improvement Plan was approved as part of the MTFP in February 2017 which identified £1.2m in savings from a number of sources to be achieved over the period 2017/18 – 2020/21. Progress against the Improvement Plan has been positive and all of the £1.2m savings have now been achieved.

5.6. Major Contracts

5.6.1. One of the major cost pressures as a result of Covid-19 has been the impact on some of the Council's major contracts. However, there are also other potential pressures, as well as potential savings that need to be reflected in the MTFP forecast.

Alliance Environmental Services

5.6.2. Alliance Environmental Services (AES) is a company created with a vision to deliver waste, street cleansing and grounds maintenance services in the High Peak and Staffordshire Moorlands areas. The company has three shareholders: High Peak Borough Council, Staffordshire Moorlands District Council and Ansa, which is a wholly owned subsidiary of Cheshire East Council.

5.6.3. The company has experienced additional cost pressures as a result of the Covid-19 pandemic in regard to additional agency and overtime costs to enable social distancing and additional cleaning and personal protective equipment – the amount apportioned to HPBC is forecast at £95,500 in 2020/21.

5.6.4. The contract fee for 2021/22 has been established following discussions between the Council and AES. The contract fee has been calculated based on the base 2020/21 contract fee plus 2021/22 inflation/growth items less forecast savings achieved.

5.6.5. Change demand items flagged by AES which will affect the management fee from 2021/22 include: Increased waste tonnage costs (ongoing covid effect), impact of Melandra depot closure, Recycling contracts decline in market, impact on income, offset partially by an increase in recycling credits from increased tonnage (covid effect).

5.6.6. Savings of £500,000 were forecast in the Efficiency & Rationalisation Programme – split between AES and savings to be achieved from Council retained budgets.

Leisure Centres & Pavilion Gardens

5.6.7. Financial support has been provided in respect of the Council's leisure centre and Pavilion Gardens operation during the various lockdown and recovery periods – which is being rolled on a monthly basis. The leisure centre operation has seen income receipts wiped out during the period the leisure centres were closed and is forecasting slow recovery phase as footfall is reduced in the early stages of recovery to maintain social distancing and facilities are opened on a phased basis. The third lockdown means that the facilities are once again closed during this period.

5.6.8. An estimated £1,158,000 spend pressure is currently assumed in 2020/21 which is largely covered by Government COVID-19 support grants and the assumption that the Council will be allocated funding via the Leisure recovery fund.

5.6.9. Recognising that recovery may be prolonged and income levels may not reach pre-COVID-19 levels in the near future, a £594,000 growth item has been built into the MTFP in 2021/22 based on latest forecasts of Leisure Centre recovery – this is reversed back out from 2022/23 on the working assumption of a return to pre COVID-19 levels.

5.6.10. It has also been assumed that the Government's leisure recovery fund to support externalised Leisure contracts will extend into 2021/22.

Facilities Management

5.6.11. In 20/21 the Cleaning & Caretaking Contract was taken over by Vertas, the Council are currently working with Vertas to mitigate the overspend in the 2020/21 to a balanced budget in 21/22.

5.6.12. The Council are currently exploring an alternative delivery model for the operation of Facilities Management via establishing a trading company in partnership with Staffordshire Moorlands D.C. and Norse Commercial Services (wholly owned by Norfolk County Council) This is subject to conclusion and approval of the business case. No financial consequences of this arrangement have been built into the MTFP at this stage.

5.7. Member Priority Projects

5.7.1. During the development of the Corporate Plan a number of priority actions have been identified and prioritised by members. These are as follows:

Member Priority Projects	Financial Implications			
	(Y/N)	Firm - in plans	Costs understood - not in plans	Costs not known
Leader				
Refresh and implement the Asset Management Plan, including a review of the public estate, and ensure adequate facilities management arrangements are in place	Y			✓
Develop an Access to Services Strategy to ensure that Council services are accessible to all	Y			✓
Refresh the Council's Communications and Engagement Strategy in order to ensure there is a more effective dialogue and engagement with residents	N			
Review the Council's community support arrangements in order to maintain strong partnership working with community groups	N			
Review the implementation of the Local Plan to ensure that the requirements for affordable housing and developer contributions are being met	Y	✓		
Conduct a review of the democratic processes and scrutiny arrangements to make the Council as open and transparent as possible	N			
Regeneration, Tourism and Leisure				
Support the development of the Glossop Halls	Y	✓		
Implement the accelerated housing delivery programme	Y	✓		
Implement the accelerated business growth and employment programme	Y			✓
Develop a Cultural Strategy to support and celebrate the rich history and culture of the Borough	N			
Review the Council's Growth Strategy to ensure that it is focussed on the effective regeneration our towns and rural communities	Y			✓
Develop and implement an ongoing Leisure Facilities plan focussed on improving the heath and wellbeing of residents	Y			✓
Review the Sports & Physical Activity Strategy in order to integrate the communities and sports clubs into the delivery of its objectives	N			
Develop a parks development plan to support the widest community use of parks and support community / friends groups	N			

Member Priority Projects	Financial Implications			
	(Y/N)	Firm - in plans	Costs understood - not in plans	Costs not known
Climate Change, Environment and Community Safety				
Establish a developer open space contributions plan	N			
Complete the review of the CCTV system and implement the agreed recommendations	Y	✓		
Successfully deliver Phase 3 of the transfer of services to Alliance Environmental Services Limited in order to achieve improved performance and value for money outcomes	Y	✓		
Develop a Climate Change Strategy and an action plan of response to a declared climate emergency	Y			✓
Review the Community Safety Strategy to ensure that the Council is supportive in fighting crime and anti-social behaviour	N			
Review the Environmental Enforcement Policy in order to take steps to further reduce dog fouling and littering	N			
Review the Council's waste & recycling arrangements to increase recycling and to respond to the emerging new national strategy	Y			✓
Corporate Services and Finance				
Implement the Council's Efficiency and Rationalisation Programme	Y	✓		
Provide advice and support for residents affected by the rollout of Universal Credit	N			
Continue to embed good information management practices through the ASSURED framework	N			
Develop and implement a plan to identify new and innovative ways of generating income	Y			✓
Develop a new ICT Strategy to enhance and support the delivery of services	Y			✓
Review the Council's Diversity Policies including working with faith and cultural groups to celebrate the traditions and diversity of our community	N			
Develop a new Organisational Development Strategy to ensure that our workforce is developed effectively and that the Council makes effective use of apprenticeships	Y			✓
Develop a new Procurement Strategy with a focus upon spending money locally	N			
Housing and Licensing				
Implement the Homelessness Strategy effectively to ensure that voluntary groups and social enterprises that work to tackle the issue are supported effectively	Y	✓		
Implement the agreed Housing Revenue Account Business Plan	Y	✓		
Review the delivery of services to older persons to ensure that they are effective	N			
Develop a Private Sector Housing Strategy to improve conditions for private renters	N			

5.7.2. Any costs or revenue associated with these actions will need to be included in the MTFP. The impact of a number of them is already included in this iteration of the plan but additional work will need to be undertaken to develop a number of the actions further and at the same time identify any financial implications.

6. FINANCIAL FORECASTS

6.1. Introduction

6.1.1. A review of financial forecasts includes:-

- Updated interest rate forecasts
- Updated inflationary projections
- Any pensions impact relating to economic changes
- Estimation of any budget demand or growth items that have been incorporated into the MTFP, including additional medium term costs of COVID recovery (in accordance with work streams Reinstating Services, Economic recovery and Community recovery)
- Potential financial savings developing from new ways of working (in accordance with recovery plan stream Taking advantage of the positive legacy)

6.2. Interest Rates

6.2.1. Following the decrease in the Bank of England base rate to 0.10% in March 2020, and the context of the impact of the coronavirus pandemic, the expectation is that interest rates will continue at current low levels throughout the period of the MTFP, with only a small potential increase in the 4^{th} year.

6.2.2. The Council's advisors Link do not include negative interest rates in their forecast, but their average earning forecast shows an expectation of near 0% return.

6.2.3. The PWLB consultation was released at the end of November 2020 and, as was widely anticipated, rates were reduced by 1%, a reversal of the overnight 1% increase that was imposed in October 2019, along with a restriction that Councils cannot borrow from the PWLB if they have purchase any assets which are primarily debt for yield.

6.2.4. This has not directly impacted the forecast of borrowing interest rates as no external borrowing is assumed in the current strategy. However, the reintroduction of the PWLB for borrowing as result of this interest rate reduction provides more options for the Council to borrow particular for longer periods should it need to for either new borrowing or to refinance maturing debts.

6.2.5. Based on the current forecasts, changes in investment income and borrowing costs (based on interest rate changes) are highlighted below:-

	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
General Fund				
Changes in Investment Income	125,380	7,540	7,260	(9,690)
Changes in Borrowing Costs	(50,300)	8,530	(19,560)	(16,000)
HRA				
Changes in Investment Income	44,730	1,070	(660)	(6,070)
Changes in Borrowing Costs	(98,010)	(118,890)	(58,230)	9,630

6.2.6. The forecast budget for borrowing costs and investment income are shown below:-

Treasury Budgets – Borrowing costs and investment Income	2021/22	2022/23	2023/24	2024/25
General Fund	£	£	£	£
Borrowing Costs	1,824,340	1,919,640	1,967,700	1,951,700
Investment Income	(40,290)	(39,410)	(40,040)	(63,280)
HRA				
Borrowing Costs	1,700,040	1,581,150	1,522,920	1,532,550
Investment Income	(6,980)	(5,910)	(6,570)	(12,640)

6.3. Inflationary Projections

6.3.1. The Retail Price Index (RPI) and Consumer Price Index (CPI) 12 month rate, as at December 2019, stood at 1.2 % and 0.6% respectively. Inflation forecasts are made reflecting the composition of the Council's expenditure, resulting in an inflation rate specific to the Council.

6.3.2. This includes the impact on staff pay, supplies and services, premises related costs an transport. The inflationary effects of Covid-safe working arrangements will feed through the system as increased supplies and service costs as contracts are renewed and uplifted.

6.3.3. The MTFP has been updated to reflect the latest forecasts on inflation and to roll forward a further 12 months to include the 2024/25 financial year. The full costs to the Council arising from inflation are forecast in the table below.

Inflationary Changes	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Employee Costs	127,140	111,240	111,910	112,900
Premises Costs	91,180	101,580	62,670	63,570
Transport	3,220	5,100	5,160	5,160
Supplies and Services	143,110	142,940	144,620	144,380
In-Year Inflation Pressure	**364,650**	**360,860**	**324,360**	**326,010**
General Fund	237,510	222,180	224,140	224,730
Housing Revenue Account	127,140	138,680	100,220	101,280

6.4. Budgetary Demand

6.4.1. The Medium Term Financial Plan presented to Council in February 2020 analysed and projected forward both income and expenditure. This has been revised to reflect known changes in budgetary demand.

6.4.2. The current known changes in budgetary demand are highlighted below:-

Increased / (Reduced) Budget Demand	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
HRA pension past service deficit costs	(20,000)	(21,000)	(21,000)	(22,000)
Uniforms – Customer Services	(2,500)	2,500	(2,500)	-
DWP - HB administration grant reduction	10,000	-	-	-
Local Council Tax Support Admin Grant	2,500	-	-	-
Vacated buildings - Residual costs	(16,500)	-	-	-
Re-line car parks	(10,700)	-	-	-
Contract Hire reinstatement	92,190	-	-	-
Buxton Town Hall - Woodwork	(50,000)	-	-	-
Loss of Income - Sheffield Road	7,000	-	-	-
Facilities Management Contract base	(12,000)	-	-	-
Glossop Markets - Temp closure	(86,500)	-	(113,500)	-
Glossop Halls - Arcade Temporary closure	-	45,000	-	(45,000)
Staffing Structure – Temporary post removal	(37,300)	-	-	-
AES Round Growth	10,500	16,000	16,400	16,700
AES Melandra Depot closure	67,600	(67,600)	-	-
AES Waste tonnage increase - Covid effect	23,000	2,500	2,800	3,100
AES Recycling contracts - Market decline	-	18,000	17,200	16,500
AES Bench Rd Grounds Maintenance	3,150	-	-	-
Increase in Recycling credits – tonnage growth	(45,000)	-	-	-
Leisure Contractor support	594,000	(594,000)	-	-
AES - agreed contract reduction	-	(109,500)	(60,000)	-
Community Organisation Support	10,000	-	-	-
Assets - Legionella & Asbestos Surveys	15,000	(15,000)	-	-
Assets - Opera House - Lightening Protection	20,000	(20,000)	-	-
Assets - H&S Path Maintenance	20,000	(17,500)	-	-
Increase in Bulking Facility Costs	10,000	-	-	-
Cemeteries grave spaces	(20,000)	-	-	-
Homelessness - Funding contributions	(55,730)	-	-	-
Local Council Tax Support scheme wind up	-	(17,520)	(17,510)	(16,290)
ICT Costs – Mid call upgrade	8,000	-	-	-
Increased HRA support cost recharge	(50,000)	-	-	-
Development Control - design support	6,500	-	-	-
Glossop Market Renovation – Borrowing costs offset	-	(20,000)	(20,000)	-
Total – General Fund	**493,210**	**(798,120)**	**(198,110)**	**(46,990)**
HRA - Increased General Fund Support costs	50,000	-	-	-
HRA – ICT cost – Mid call upgrade	8,000	-	-	-
Total – Housing Revenue Account	**58,000**	**0**	**0**	**0**

6.4.3. In the table above the following more significant items merit further explanation:

- Leisure centres – one year support of £754,000 has been included with an assumption that this will be in part offset by further Government grant aid of £160,000; giving a net provision of £594,000 in the Plan.
- Glossop Halls – Loss of rental income during the renovation project are included in the Plan on the assumption that the work will be completed by 2023/24.
- Waste Collection - Costs are included arising out of the closure of Melandra depot and the increase in tonnages collected.

6.4.4. In addition to the above, there may be a requirement to include upfront increased budget demand in relation to climate change related projects in future years. Some of these costs may already be included with the MTFP forecast – for example, schemes within the asset management plan (both General fund and HRA) and fleet purchase programme where environmental impact will be a significant consideration. However, any additional costs will be assessed and included within future MTFP iterations once known and the business case has been developed. There is also a £25,000 earmarked reserve established to support climate change projects, this will be reviewed at the end of the year with a potential additional allocation set aside.

6.4.5. It may also be necessary to include increased budget provision as a result of the completion of service plans and in accordance with the Organisational Strategy – which is scheduled to be reviewed in line with Corporate Plan objectives. Additional staff resource or expertise may be necessary to deliver specific projects. This will be reviewed by the Transformation Board as part of the business case process for each project.

6.4.6. Any financial savings realised as a result of work practices changed due to Covid will be offset against the remaining efficiency programme targets. Relevant areas of potential saving include printing, travel costs, postage and utilities.

6.5. Budget Growth

6.5.1. In previous years, few additions in respect of budget growth have been included in the MTFP. It was assumed in light of the financial pressures faced by the Council, that any local issues that necessitate budget growth will be financed by internal spending reductions elsewhere. Occasionally, however, it is necessary to include budget growth to meet spending commitments.

6.5.2. No items of budget growth have been included in this version of the Medium Term Financial Plan.

6.6. Pensions

6.6.1. The Pension Fund triennial valuation, which took place in 2019, fixed the Council's contributions for the first 2 years of this plan. A further valuation is to take place in 2022, which will set the contributions payable up until 2025/26.

6.6.2. At this stage the plan assumes no further increase in contributions will be necessary arising out of the 2022 valuation. At the 2019 valuation the High Peak portion of the Pension Fund had a funding level of 90%.

6.6.3. The impacts of Covid19 are not expected to have an effect on pension contribution rates at this stage. The long term nature of Pension Fund forecasting means the impacts of short term financial shocks are mitigated. This situation will continue to be monitored following the outcome of this next valuation.

6.6.4. The Council carries an earmarked reserve for Pension purposes, which was originally set up to meet extraordinary pension costs outside of the actuarial valuation process. It has become obsolete having never been used for this purpose and it is proposed that this reserve is re-designated and transferred to General Fund contingency.

6.7. Housing Revenue Account – Other Operating Expenditure

6.7.1. There are a number of items that relate only to the HRA. They include some direct elements of income and expenditure as well as notional charges for asset depreciation and debt impairment.

6.7.2. The HRA provides for a number of changes to operating expenditure over the next four year as set out in the table below:

Expenditure / (Income)	2021/22	2022//23	2023/24	2024/25
	£	£	£	
Provision for Irrecoverable Debts	1,120	2,860	2,900	5,910
Past Service Pension Deficit Contribution	20,000	21,000	21,000	22,000
Increased / (Reduced) Other Operating Expenditure	**21,120**	**23,860**	**23,900**	**27,910**

7. FUNDING & INCOME GENERATION

7.1. Introduction

7.1.1. The key areas of funding and income generation include:

- Council Tax and Business Rates collection
- Income from Government Grants
- Longer term impact on fees and charges income

7.2. Council Tax

7.2.1. The Council has the capacity to vary Council Tax levels, following the abolition of capping. However the Council's ability to increase Council Tax by more than a certain percentage is subject to referendum. For 2021/22, this percentage has been confirmed as 2%, but alternatively, lower tier Authorities have the option to increase the Band D equivalent by a set £5 – and so can apply either the 2% or £5 – whichever is higher.

7.2.2. In line with current guidance, this iteration of the MTFP assumes that a £5 increase is applied in 2021/22 with 1.9% assumed from 2022/23 onwards (as Government consultation is currently ongoing regarding future years).

7.2.3. Provision has been included within the Plan to reflect anticipated growth in Council Tax base over the next 4 years. The Council's tax base has suffered a reduction during the pandemic as house-building and employment levels were affected. It is assumed that this will recover in 2022/23 boosted by an upturn in the economy and that growth in Council Tax base will continue in following years. The figures included are shown in the table below:

Increased Council Tax Income	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Revenue from increased Council Tax	(154,850)	(114,980)	(118,370)	(121,780)
Revenue from Tax Base growth	13,230	(87,440)	(68,700)	(70,080)
Total	**(141,620)**	**(202,420)**	**(187,070)**	**(191,860)**

7.2.4. There is an increased risk associated with non-payment as a result of the impact of Covid-19, with some households potentially struggling to meet instalments. Collection Rates for 2020/21 are behind what they normally are, however this is currently largely distorted by deferred payments plans and stalled recovery. Having said that, it is recognised that there will be an impact on collection rates in 2021/22. However, the financial impact will only be realised if outstanding debts are not collected in the near term and are subsequently written off.

7.3. Business Rates Retention

7.3.1. Under the 50% Business Rates Retention system the Authority retains 40% of Business Rates less a tariff that is payable in to a pool of Derbyshire Authorities. This amount is then compared to a Funding Baseline (estimated at £2,367,720 for 2021/22) and any amount in excess of this Baseline is subject to levy, or conversely if the amount of retained Business Rates is below this Baseline, the loss is capped by a safety net payment. The MTFP does not anticipate the Council falling below the Baseline.

7.3.2. As part of the Derbyshire Pool in the 50% retention scheme, the levy is made to the Pool instead of Central Government. If the Council was not in the Derbyshire Pool it would have to pay 50p in the £1 to the Government as a levy, effectively limiting the income the Council can gain from business rates growth. However, as part of the Pool, the Council is able to retain some of this levy. Under the Pool agreement, this amount will depend on the amount all members of the Pool pay in at the end of the year, and the proportional success of the Council against its own baseline. The benefit to the Council of being part of the Pool arrangement is estimated based on the historic trend of levy savings from the pool at 60% which is forecast to be £430,350 in 2021/22.

7.3.3. In October 2015, the Government announced a forthcoming package of reforms to the Business Rates Retention System including a move to local government retaining 100% of the rates that they received (subsequently being revised to a 75% scheme, although 100% is once again under consideration) with an end to Revenue Support Grant. The new scheme will now not be introduced until 2022/23 at the earliest.

7.3.4. The MTFP anticipates that Business Rates retention will be above the baseline. Net income is somewhat suppressed due to the award of reliefs including increased small business rate relief, caps on inflation to the multiplier, extended rural relief, and the increase in the provision for RV reductions on successful appeals. To compensate for the loss of business rates income resulting from the reliefs, funding has to date been made available to Councils under Section 31 of the Local Government Act 2003. The MTFP assumes equivalent Section 31 grants will continue on any extension to reliefs announced by the Government.

7.3.5. Extended Retail Relief was announced by Government in March 2020 which awarded full Business Rates relief to all retail, hospitality and leisure related businesses (with Councils reimbursed via s31 grants from Government). The council will ring-fence the additional grant received during 2020/21 relating to these reliefs, in order to fund the distribution of the additional collection fund deficit in 2021/22. It is unknown at this stage if the extended Retail Relief will continue into 2021/22. Either way, the Council would either be reimbursed via Government grant or the amount would be collectable from businesses.

7.3.6. However, as a result of Covid-19 and the impact recession and social distancing measures are having on businesses, there is a risk that the Borough may see a reduction in the overall rateable value of businesses and therefore business rates retention. A reduction of 0.5% has been included in this version of the MTFP.

7.3.7. There is also a risk associated with non-payment, with businesses potentially struggling to meet instalments. Collection Rates for 2020/21 are below normal trends, but this is dependent on businesses meeting deferred / changed payments plans. The financial impact of lower collection rates will only be realised if outstanding debts are not collected in the near term and are subsequently written off. Prior to the Covid-19 climate an annual provision for bad debts of 0.6% was usually included in the budget. This has been increased to 1% for 2021/22; 0.8% in 2022/23; returning to 0.6% in 2023/24 and 2024/25.

7.3.8. Changes in the level of the Council's business rates will be impacted by a range of factors, including business growth in the area. At this stage, predicted levels of business rates income are based on known and expected changes to the business rates listing.

Business Rates Retention	**2021/22**	**2022/23**	**2023/24**	**2024/25**
	£	£	£	£
In year:				
Baseline Funding	(2,367,710)	(2,406,290)	(2,445,500)	(2,485,350)
Achievement against Baseline	192,260	106,510	(29,340)	(152,090)
Section 31 Grant	(1,534,820)	(1,529,260)	(1,578,950)	(1,629,250)
	(3,710,270)	**(3,829,040)**	**(4,053,790)**	**(4,266,690)**
Change between years:				
Business Rates retained	(85,560)	(124,330)	(175,060)	(162,600)
Section 31 Grant	173,000	5,560	(49,690)	(50,300)
	87,440	**(118,770)**	**(224,750)**	**(212,900)**

7.4. Collection Fund.

7.4.1. The Council maintains a Collection Fund to record the receipt of Council Tax and Business Rates and their distribution to precepting authorities. Any surplus or deficit generated is distributed or recovered from the preceptors in subsequent years.

7.4.2. The Government announced that it will extend the period over which Councils must manage exceptional deficits on the collection fund relating to 2020/21 owing to the Covid-19 situation, from the usual one year to three years. This is intended to ease immediate pressures on Councils when budget setting for 2021/22, protecting their ability to deliver essential local services.

7.4.3. The hardship element of the Local Council Tax Reduction Scheme; and the Extended Retail Relief and Nursery Discount on Business Rates are all funded by grants, therefore do not impact on the exceptional deficit.

7.4.4. High Peak's share of a deficit, in respect of Council Tax, to be distributed in 2021/22 is £74,210. This leaves a small exceptional deficit to be distributed in 2022/23 and 2023/24 in accordance with the Government's allowance that deficits occurring during 2021/22 as a result of the Covid crisis can be distributed over the next three years as opposed to the normal one. High Peak's share of this exceptional balance distribution will be £25,650 in each year.

7.4.5. The government's Local Taxation Income Guarantee Scheme to compensate local authorities for 75% of irrecoverable losses on Council Tax is currently forecast as £28,640 for 2020/21. The indicative allocation for the Local Council Tax Support Grant in 2021/22 is £126,330.

7.4.6. The High Peak share of the business rates deficit to be distributed in 2021/22 is £3,467,790. The vast majority of this relates to the award of Extended Retail Relief announced by the Government in response to the Covid crisis. Therefore the Council has ringfenced s31 grant funding received in 2020/21. This funding will be drawn upon in 2021/22 to offset the vast majority of the Collection Fund deficit distributed in the year (see section 7.3.5 above). The current forecast doesn't not show an exceptional deficit relating to 2020/21 for Business Rates, therefore future year collection fund balances are included at £0 in this plan.

7.4.7. These and future year movements are set out in the table below:

Changes in Collection Fund Income	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Council Tax	147,420	(95,380)	9,620	(27,400)
Business Rates	3,849,900*	(3,467,790)	0	0
Total	**3,997,320**	**(3,563,170)**	**9,620**	**(27.400)**

**Offset by s31 funding received in 20/21 and held in earmarked reserve.*

7.5. Income from Government Grants

New Homes Bonus

7.5.1. In the provisional Local Government financial settlement released in December, the Government confirmed that during 2021/22, it would be consulting on a replacement for the New Homes Bonus scheme (originally planned for 2020/21, but delayed due to Covid-19). The new housing incentive scheme will reflect a more targeted approach that rewards local government where they are 'ambitious' in delivering housing growth. At this stage, there is no further detail on what form the new scheme will take.

7.5.2. The allocation of New Homes Bonus is secure for 2021/22 albeit reduced compared to assumption made within the MTFP - the Council will receive £341,770 in funding next year; beyond that no commitment is made for future years.

7.5.3. The 2021/22 bonus is made up of £43,870 in new award and £297,900 in legacy payments relating to previous years' awards. The low level of new award for 2021/22 reflects the disruption to the house building sector caused by the onset of the Covid-19 pandemic. As with 2020/21 this new award is for one year only and does not create legacy payments in future years.

7.5.4. The MTFP presented in November assumed total NHB receipts of £1,941,750 for years 2 – 4 of the Plan (2022/23 to 2024/25). This assumption has been reduced to £1,350,000 due to the delay in implementation of a new scheme and the low award in 2021/22. This amount remains at risk if the new scheme is less generous to High Peak than the old scheme was.

7.5.5. The recent tendency towards one-off annual awards with no associated legacy payments, has further eroded the base income received by the Council from this funding source.

7.5.6. In the absence of any further information, this iteration of the MTFP assumes that the Council will continue to receive funding at a base level of £450,000 pa; but does so with the recognition of the major risk this represents to the viability of the Plan beyond 2021/22.

Local Council Tax Support Scheme

7.5.7. The Council operates a scheme whereby funding received from central Government in respect of Local Council Tax Support is passed onto the parishes by means of an annual grant. The allocation of this grant is based on the eligibility of parish residents for council tax discounts.

7.5.8. The level of resources made available for this grant has remained constant in spite of reductions in overall Government funding. The MTFP assumes that this approach will continue at a cost to the Council of £51,320 pa – however, this is subject to review during 2021/22, with a proposal to reduce this over the MTFP period.

7.5.9. The basis of the model underlying the Local Council Tax Reduction Scheme is currently being reviewed (but the current scheme will remain unchanged in 2021/22), primarily as a consequence of the introduction of Universal Credit. The result of this review, including any budgetary consequences, will be built into future iterations of the MTFP.

Covid-19 Related Grant Support

7.5.10. The Council has received Government funding towards Covid-19 pressures during 2020/21. This has included non-ringfenced grants, specific grants (for additional services provided such as the administration of the grants process and compliance and enforcement of restrictions) and partial reimbursement of irrecoverable fees and charges income.

7.5.11. As part of the spending review announcement in December 2020, it was confirmed that Government support would be provided into 2021/22, including the following grant awards:-

- Covid-19 Relative Needs Grant (£428,180)
- Lower Tier Services Grant (£100,830)
- Local Council Tax Support Grant (£126,330)

7.5.12. At this stage, it is assumed that this funding will not continue into future years.

Summary of Income from Government Grants

7.5.13. The table below summarises the movement in Government funding over the MTFP period:

Government Grant (gain) / loss of funding	2020/21 (Budget)	2021/22 (forecast)	2022/23 (forecast)	2023/24 (forecast)	2024/25 (forecast)
	£	**£**	**£**	**£**	**£**
New Homes Bonus	(647,250)	(341,770)	(450,000)	(450,000)	(450,000)
Covid-19 Funding	-	(655,340)	-	-	-
	(647,250)	**(997,110)**	**(450,000)**	**(450,000)**	**(450,000)**
Change in Govt Funding	**-**	**(349,860)**	**547,110**	**-**	**-**

7.6. Fees and Charges

General Fees and Charges

7.6.1. Charging for local services makes a significant contribution to the Council's finances. The Council also uses charging to influence individual choices and behaviour, and to bring other benefits to local communities. The Council's Charging Policy sets out the following principles for establishing the level of fees and charges:

- The cost of providing services should be fully met by income
- There is a standard approach to concessions for those on low incomes
- Where a subsidy is agreed, this should be used to support the development of Council services in accordance with priorities
- Subsidies should be reconfirmed annually

7.6.2. Charges are set in line with the categories below

Charging Policy	Policy Objective
Full commercial	Service is promoted to maximise revenue within an overall objective of generating a surplus from the service
Fair charging	Service is promoted to maximise income but subject to defined policy constraints including commitments made to potential customers on an appropriate fee structure
Cost recovery	Service generally available to all but without a subsidy
Subsidised	Service is widely accessible, but users of the service should make some contribution from their own resources
Nominal	Service to be fully available and a charge is made to discourage frivolous usage
Free	Service fully available at no cost
Statutory	Charges are set in line with legal obligations

7.6.3. The proposed fees and charges for 2020/21 are presented in **APPENDIX C** to this report.

7.6.4. The MTFP assumes that income losses suffered in 2020/21 arising out of the Covid19 outbreak have substantially recovered by 2021/22.

7.6.5. The Medium Term Financial Plan would normally project that the Council will increase fees and charges (and other income) broadly in line with inflation. Whilst recognising that certain income streams (such as car parking, planning receipts) may not increase each year and that other income streams (such as grants and rental income) are fixed or subject to periodic review.

7.6.6. However, the assumed annual increase in base income has been suspended for years 1 and 2 of the plan, whilst fees and charges income levels recover from the Covid19 shock. The underlying annual total expected from inflationary increases to fees and charges from year 3 onwards has been set at £40,000, recognising the potential overlap with income generation themes included in the Efficiency Programme.

7.6.7. The projected revenue from increased fees and charges (and other income) is summarised in the table below:

Increased Fees and Changes	2021/22	2021/22	2022/23	2023/24
	£	£	£	£
Revenue from increased Fees and Charges	-	-	(40,000)	(40,000)
Revenue from Car Park charge increase*	-	-	(75,000)	-
Total	**-**	**-**	**(115,000)**	**(40,000)**
Total Income from Fees & Charges	**(7,243,290)**	**(7,198,290)**	**(7,426,790)**	**(7,511,790)**

**subject to review*

Housing Revenue Account – Rent Charges

7.6.8. The Government announced in October 2017 that after the four year 1% rent reduction ends in 2019/20, Authorities will then be able to increase rents from 2020/21 by CPI +1%.

7.6.9. Therefore, the current HRA Plan projects a 1.5% increase in rent in 2021/22 and 2.5% in years 22/23 – 2024/25. It also assumes that ‘Other Charges’, including garages and service charges, will increase in 2021/22 – 2024/25.

Rental Income	2021/22	2022/23	2023/24	2024/25
Revenue from Rental Income and Other Charges	£ (112,200)	£ (285,420)	£ (290,640)	£ (591,220)**

*** 53 week rent year*

7.6.10. As part of the HRA review, a revised rent policy was presented to the HRA working group during 2017/18, which aimed to increase income targets (and partially offset the HRA Financial Improvement Plan savings targets).

7.6.11. This included a review of current service charges to ascertain the cost to the Council in providing services. The review revealed that the cost in providing services was higher than the service charge paid by tenants. It was proposed therefore, to increase current service charges paid by current tenants by a maximum of 5% per annum – to limit the financial impact up to the point the actual service charge matches the actual cost.

7.6.12. It was also proposed that for new tenants, ‘formula’ rent is charged – which in most cases is slightly higher than current rent. In addition, if any services are provided as part of the tenancy, the service charge will be based on the actual cost in providing the services. The increase in service charges for 21/22 has been capped at a maximum increase of 5% of 20/21 actual costs. The rent and service charge is fully advertised prior to a new tenant taking a tenancy.

7.6.13. In September 2018, the Department of Works and Pensions rolled out its ‘full’ service in High Peak – meaning that all new claims from single people and families (of working age) of the six legacy benefits (including Housing Benefit) will be replaced by Universal Credit (UC).

7.6.14. Due to the many changes (UC is paid direct to the tenant rather than the Landlord, there have been some issues with waiting times on receiving payment etc) this may have a potential negative impact on rent collection. No reduction in rental income due to this has been included in this MTFP, but it is flagged as a risk at this stage and is included in the HRA Business Plan action plan.

8. RISKS, CONTINGENCIES & USE OF RESERVES

8.1. Contingencies

8.1.1. The Medium Term Financial Plan is underpinned by a number of assumptions. These assumptions have been made in the light of currently available information. New information, when it emerges, may require the Council to alter its assumptions with a consequential effect on the financial position.

8.1.2. Key risk areas will be closely monitored and reviewed on an ongoing basis and remedial action taken. Members will receive quarterly updates on performance against the budget. The Council will carry adequate reserves as a contingency against risks that cannot be fully mitigated.

8.1.3. The Council carries reserves as a contingency for situations where risks cannot be fully mitigated. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer (CFO) to report on the robustness of the estimates included in the budget and the adequacy of the reserves that the budget provides.

8.1.4. While there is no detailed guidance on calculating the level of general reserves the Council is encouraged to take into account the strategic, operational and financial risks facing the Council. These amounts are then moderated to acknowledge the likelihood of all risk events occurring together. The table below presents analysis undertaken by the Council in calculating the minimum level of general reserve required:

Item	Calculation Factor	Value	Amount of Reserve
		£m	£
Expenditure Items (gross) – Employee Related	3% of value	7.39	222,000
Expenditure Items (gross) – Other	3% of value	11.27	338,000
New Budget Growth	Additional 10% of value	0.00	0
Housing Benefits (subsidy)	0.25% of value	10.80	27,000
Fees and Charges	5.5% of value	7.24	398,000
Interest Receipts / Payments	5% of net interest paid / received	1.78	89,000
Efficiency Provisions	50% of value	0.10	48,000

Council Tax Collection	2.5% of value	6.19	155,000
Business Rates Retention	6% of value	3.71	223,000
Development Services Income	6% of value	0.62	37,000
Local Land Charges	6% fall in income	0.11	6,000
New Homes Bonus	50% fall in income	0.34	171,000
Total Requirement all events			**1,714,000**
Moderation	10% reduction		(171,400)
Total Requirement			**1,542,600**

8.1.5. It is proposed that the minimum general reserve contingency balance should increase by £208,000 to £1,540,000 to meet unforeseen expenditure and/or shortfalls in income, the increase represents the uncertainty in the MTFP in respect of the coronavirus pandemic and the impact the recovery phase may have. [The Council anticipates that at 1st April 2021 it will be holding a contingency reserve of £3.8m]

8.1.6. The HRA working balance is made up of surpluses that have accumulated over a number of years. The Council retains a minimum of £1million (approximately £250 per property) in order to cover unexpected events that could - if realised – trigger financial pressures. This has been calculated based on the below:

Item	Calculation Factor	Value	Amount of Reserve
		£m	£
Expenditure Items (gross) – Employee Related	3% of value	3.21	96,000
Expenditure Items (gross) – Other	3% of value	3.43	103,000
Net costs (capital contribution, depreciation, support services)	3% of value	5.73	172,000
Borrowing Costs (net)	5% of net interest paid / received	2.74	137,000
Efficiency Provisions	30% of value	0.00	-
Non Dwelling Rents	3.5% of value	0.63	22,000
Dwelling Rents	4% of value	14.65	586,000
Total Requirement all events			**1,116,000**
Moderation	10% reduction		(111,600)
Total Requirement			**1,004,400**

8.1.7. The level and utilisation of reserves is determined formally by the Council, having received the advice and judgement of the Chief Financial Officer (CFO). The Chief Financial Officer’s advice is:

“In the view of the Executive Director & Chief Finance Officer (Section 151 Officer), the budget includes estimates which take into account circumstances and events which are reasonably foreseeable at the time of preparing the budget. The view is therefore held, that the level of reserves are adequate for the Council based on this budget and the circumstances in place at the time of preparing it”

8.1.8. Further detail of the CFO's determination in regard to contingency balances and reserves is detailed in **ANNEX E**.

8.2. Use of Reserves and Balances

General Fund Reserves and Balances

8.2.1. When setting the Budget and Medium Term Financial Plan in February 2020, the general fund contingency reserves balance as at 31st March 2020 was estimated to total £2.838 million.

8.2.2. The 2019/20 provisional outturn position highlighted a £0.295 million surplus – of which £200,000 was set aside specifically to fund COVID-19 recovery activities. After other earmarked reserves movements, the general fund contingency balance as at 31st March 2020 was £2.842million (£0.004 million higher than forecast in the MTFP presented in February).

8.2.3. In addition, a review of current earmarked reserves has been undertaken to establish if the purpose for which the reserve was set up is still applicable and at the correct value. The purpose of which – particularly in light of Covid-19 - is to identify any cash resources that can be reallocated into contingency reserves to support the MTFP over the next 4 years:

- The Council carries an earmarked reserve for Pension purposes of £220,000, which was originally set up to meet extraordinary pension costs outside if the actuarial valuation process. It has become obsolete having never been used for this purpose and has been identified for re-designation.

8.2.4. This review increases the contingency reserves to £3,062,000

8.2.5. The Quarter Three report forecasts that there will be a surplus against budget of £619,390, in which case, there will be a net contribution into contingency reserves of £757,680 in 2020/21. The s31 grants received as compensation for the Retail / Nursery relief by Government in 2020/21 is to be transferred into an earmarked reserve for use in 2021/22 to offset the Collection Fund deficit in that year arising out of the events in 2020/21.

8.2.6. The updated MTFP currently shows a forecast cumulative deficit position of £1.082million over the four years – which represents the required use of reserves in order to balance the 4 year plan. The annual changes in the contingency reserve as well as other earmarked reserves where it is planned to draw funding, are shown in the table below:

Reserve	**2020/21 (Budget)**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
	£	£	£	£	£
Contingency Reserve	138,290	(901,880)	(467,110)	(23,370)	310,290
Section 106 / Other Reserves	(88,940)	(3,383,880)*	(1,640)	(1,640)	(1,640)
Total Reserve Usage	**49,350**	**(4,285,760)**	**(468,750)**	**(25,010)**	**308,650**

Change in use of reserves		(4,335,110)	3,817,010	443,740	333,660

**includes use of the surplus earmarked in 2020/21 from the receipt of S31 grants as compensation for the Retail / Nursery relief as implemented by Government in 2020/21 – the grant funding was earmarked at the end of 2020/21 and drawn in 2021/22 to cover the collection fund deficit from non-collection of those amounts in 2020/21*

8.2.7. With effect from 2021/22 the MTFP reflects a use of £1,082,070 in Contingency reserves over the next 4 years (2021/22 £901,880 usage; 2022/23 £467,110 usage; 23/24 £23,370 usage; and 2024/25 £310,290 contribution)

8.2.8. The table below shows the revised level of forecast contingency reserves over the life of the Medium Term Financial Plan:

Contingency Reserve	**2020/21 (Budget)**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
	£	£	£	£	£
As at February 2021:					
Balance at year-end	3,819,810	2,917,930	2,450,820	2,427,450	2,737,740
Minimum requirement (s7.2)	1,332,000	1,540,000	1,540,000	1,540,000	1,540,000
Headroom	**2,487,810**	**1,377,930**	**910,820**	**887,450**	**1,197,740**

8.2.9. At the end of year 4 of the plan (2024/25) there would be an estimated balance of £2.74million in General Fund Contingency reserves – which would be £1.2 million above the required £1.54 million minimum balance.

8.2.10. The updated MTFP illustrates a requirement to draw from reserves in years 1-3 of the plan – with an estimated contribution into contingency reserves of £310,290 in year 4 (2024/25).

8.2.11. All of the above is subject to the assumptions as detailed in the previous sections, which is extremely difficult to forecast – and does not assume any further Government support at this stage. These assumptions will be continually monitored.

HRA Reserves and Balances

8.2.12. The HRA balance is made up of surpluses that have accumulated over a number of years. The Council retains a minimum of £1 million (approximately £250 per property) in order to cover unexpected events that could - if realised – trigger financial pressures.

8.2.13. Due to the strict ring-fencing rules that apply to the HRA, any funds set aside form part of HRA reserves. The table below summarises the projected overall HRA reserves position for the duration of this MTFP.

	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**

	£	£	£	£	£
HRA Reserves Brought Forward	16,464,054	17,027,032	15,156,802	14,321,172	15,095,512
Surplus/(Loss) for the year*	562,978	(1,870,230)	(835,630)	774,340	590,930
Total HRA Reserves carried forward	**17,027,032**	**15,156,802**	**14,321,172**	**15,095,512**	**15,686,442**

**as forecast in the Q3 report and this version of the MTFP*

8.2.14. It can be seen from the table above that the HRA balance is projected to significantly exceed its £1 million contingency minimum over the next four years.

8.2.15. The updated 30 year HRA business plan summary is shown in **ANNEX H.**

8.3. Risk Identification and Management

8.3.1. The early identification and management of risks is critical to the Medium Term Financial Planning process. Risks to the MTFP are assessed, mitigated and actively managed to ensure that the Council delivers its services effectively within the funding at its disposal. The principal risks to the Medium Term Financial Plan are summarised in **ANNEX D**.

8.3.2. Risk areas will be closely monitored and reviewed on an on-going basis and remedial action taken as appropriate. Risks associated with specific projects will be identified within the project methodology documents and reviewed monthly by the Transformation Board.

8.3.3. The table below highlights specific financial risks that are embedded within this Medium Term Financial Plan:

Revenue Risks	**Capital Risks**
• Inflationary assumptions • Interest rates • Housing benefits • Fees and charges • Universal Credit • Business Rates • Council Tax collection • Housing Rent levels (HRA affordability) • Government grants • Financial benefits from partnerships / shared services • Pension costs • Contract Management • Brexit implications	• Interest rates • External funding • Capital receipts • Capacity to deliver capital programme • Project overspend • Project overrun • External factors (e.g. planning objections, judicial reviews etc. leading to project delay) • Housing finance • Weather • Brexit implications

8.3.4. In addition, there are a number of Covid-19 related financial risks to the MTFP to be regularly reviewed and considered:-

- The impact that a recession may have on Council Tax and Business Rates collection and increased risk of non-payment which is not subsequently collected
- The period of recovery is prolonged which has further cost pressure consequences for the Council – especially in regard to the operation of leisure centres
- Fees and Charges income levels do not return to pre-Covid levels as forecast
- The economy is deflated post-recovery leading to ongoing economic problems in town centres and the broader economy, as well as community safety issues, which lead to increased cost pressures
- Increased demand on certain services e.g. Benefits and economic support.
- Further national lockdowns / tiered systems imposed which leads to further pressures on businesses and households and additional costs to the Council in providing support

Britain's Exit from the European Union

8.3.5. The United Kingdom left the European Union on 31st January 2020, whereupon the country entered into a transition period. A deal in regard to the UK's future relationship with the European Union was agreed in December 2021. While this should hopefully mitigate against what were seen as potentially negative effects on the economy at this stage it is not possible to predict the full impact of the Brexit process on the Authority's finances and financial planning.

8.3.6. As a result of Brexit, there is a risk that a number of local and national economic drivers such as inflation, interest rates, the valuation of assets and liabilities and the demand for and funding of services will be affected.

8.3.7. The direction and extent of Brexit's influence on these areas is a matter of debate. To give an idea of the potential financial consequences the table below quantifies the impact on the Authority's current 2021/22 budget had there been a 1% change in its key economic drivers.

Risk item	Impact on 2021/22
1 % change in inflation	109,000
1 % change in interest rates	176,000

9. Budget 2021/22

9.1. Budget preparation work has now been completed and an overall balanced budget position has been reached with the inclusion of a £95,000 efficiency target on the General Fund and a use of £901,880 in Contingency reserves (together with a £3,383,880 use of earmarked reserves (mainly in respect of Business Rates) – total use of £4,285,760). The HRA is balanced with a drawdown from reserves of £1,870,230.

9.2. The proposed 2021/22 General Fund Budget is detailed below:

Budget Heading	2021/22
	£
Employees	10,564,990
Premises	4,284,800
Transport	401,560
Supplies & Services	9,872,600
Benefits	82,460
Borrowing	1,824,340
Parish Grant re Council Tax Support	51,320
Financing Costs	22,130
Total Expenditure	**27,104,200**
Fees and Charges / Other Income	(8,687,210)
Interest Receipts	(40,290)
HRA Recharges	(6,406,160)
Capital Recharges	(231,240)
Net Expenditure	**11,739,300**
Council Tax	(6,193,160)
LCTS Compensation Grant	(126,330)
Business Rates Retention	(3,710,270)
COVID-19 Grant Funding	(529,010)
New Homes Bonus	(341,770)
Contribution to / (use of) EM Reserves*	(3,383,880)
Contribution to / (use of) Contingency	(901,880)
Collection Fund**	3,542,000
Total Financing	**(11,644,300)**
Deficit / (Surplus)	**95,000**

New Efficiency Requirement	(95,000)
In-Year Deficit / (Surplus)	**0**

**Majority of use of earmarked reserves relates to S31 grants received in 2020/21 to offset the impact of the extended Business Rates reliefs awarded – grant funding earmarked and used to offset Collection Fund deficit in 2021/22*

***HPBC share of collection fund deficit – includes £3,467,790 Business Rates (majority as a result of extended relief awarded in 2020/21) and £74,210 Council Tax*

9.3. The proposed 2021/22 Housing Revenue Account Budget is detailed below:

Budget Heading	**2021/22 Projection**
	£
Repairs & Maintenance	4,409,480
Supervision & Management	2,739,230
Rates, Rents, Taxes, Other Charges	109,130
Other Operating Expenditure	782,430
Depreciation & Impairment Charges	2,099,030
Interest & Debt Management Charges	2,693,060
HRA Contribution to Capital Programme	4,192,640
Total Expenditure	**17,025,000**
Dwellings Rents	(14,483,110)
Non - Dwelling Rents & Other Income	(671,660)
Total Income	**(15,154,770)**
(Surplus) / Deficit for year	**1,870,230**
Use of Reserves	(1,870,230)
In Year Deficit (Surplus)	**0**

Council Tax and Rent Setting Requirement 2021/22

9.4. The tables below illustrate the Council Tax & Housing Rent requirement for 2021/22:

General Fund	**2021/22 Budget**
	£
Net Cost of Services	**11,644,300**
New Homes Bonus	(341,770)
Business Rates Retention	(3,710,270)
COVID-19 Grant Funding	(655,340)
Use of Reserves*	(4,285,760)
Collection Fund	3,542,000
Net Requirement from Council Tax	**(6,193,160)**

**includes use of the surplus earmarked in 2020/21 from the receipt of S31 grants as compensation for the Retail / Nursery relief as implemented by Government in 2020/21 – the grant funding was earmarked at the end of 2020/21 and drawn in 2021/22 to cover the collection fund deficit from non-collection of those amounts in 2020/21*

Housing Revenue Account	**2021/22 Budget**

	£
Net Cost of Services*	**12,461,710**
Plus:	
Borrowing Costs	2,693,060
Net Expenditure	**15,154,770**
Non - Dwelling Rents & Other Income	(671,660)
Net Requirement from Housing Rents	**(14,483,110)**

**includes contribution from balances of £1,870,230*

9.5. The overall Council Tax requirement contained within these proposals is summarised in the table below:

	Budget Requirement £	**Tax Base**	**Band D Council Tax £**	**Increase/ (Decrease) %**
Borough Council Tax	**6,193,160**	**30,904**	**200.40**	**2.56%** **£5.00**

9.6. The overall rent increase requirement contained within these proposals is summarised in the table below:

	Average Weekly Rents 20/21 £	**Average Weekly Rents 21/22 £**	**Increase/ (Decrease) £**	**Increase/ (Decrease)* %**
HRA Rents (over 52 weeks)	**71.45**	**72.64**	**1.19**	**1.66%**
HRA Garage Rents (over 52 weeks)	**7.13**	**7.49**	**0.36**	**5%**

**includes increase where new tenancies have transferred to 'formula rent'*

9.7. Charges made to recover fuel costs at various blocks have been reviewed and are charged on an individual block basis. The charges for 2021/22 are shown below and based on the previous year's usage and estimated costs and adjustments for actual fuel costs in 2019/20.

	Anticipated Fuel Cost 2021/22	Weekly Charge per Unit (over 52 weeks) Charge Category A	B	C	D	Communal Areas
	£	£	£	£	£	£
Alma Square	13,455	6.09	9.13	-	15.22	3.97
Cromford Court	6,480	-	-	-	-	2.97
Eccles Fold	12,384	-	4.79	-	-	1.47
Hartington Gardens	33,239	5.30	7.96	10.61	-	1.26
Marian Court	14,593	5.67	8.50	-	14.17	2.93
Milton Court	24,428	7.90	11.84	-	19.74	3.29
Queens Court	25,625	-	9.54	-	15.90	2.33
Northlands	13,696	-	8.59	11.45	-	5.05

Grangeside	3,312	-	-	-	-	5.79
Fieldhead House	1,933	-	-	-	-	5.31
Watford Lodge	1,145	-	-	-	-	2.75

10. MTFP REVENUE POSITION

10.1. General Fund Revenue Position

10.1.1. The medium term general fund revenue position is as set out in the table below, which summaries the impact of the discussions in the previous sections of the report:-

Summary Revenue Position	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Consequences of Capital Spend (section 5.3.44)	31,030	80,110	59,730	(13,550)
Interest Rate Changes (section 6.2.5)	125,380	7,540	7,260	(9,690)
Borrowing Costs (section 6.2.5)	(50,300)	8,530	(19,560)	(16,000)
Inflation Pressures (section 6.3.3)	237,510	222,180	224,140	224,730
Changed Budget Demand (section 6.4.2)	493,210	(798,120)	(198,110)	(46,990)
Budget Growth (section 6.5.1)	0	0	0	0
Increased Council Tax Income (section 7.2.3)	(141,620)	(202,420)	(187,070)	(191,860)
Business Rates Retention (section 7.3.8)	87,440	(118,770)	(224,750)	(212,900)
Changes in Collection Fund (section 7.4.7)	3,997,320	(3,563,170)	9,620	(27,400)
Reduction in Government Grant (section 7.5.13)	(349,860)	547,110	0	0
Additional Fees and Charges (section 7.6.8)	0	0	(115,000)	(40,000)
Contribution to Reserves & Balances (section 8.2.6)				

	(4,335,110)	3,817,010	443,740	333,660
In Year Change in Position	**95,000**	**0**	**0**	**0**
Efficiency & Rationalisation Plan (section 5.5.7)	(95,000)	0	0	0
Budget (Surplus) / Deficit	**0**	**0**	**0**	**0**

10.1.2. The table above table shows a balanced position over the life of the Medium Term Financial Plan assuming the remaining Efficiency Programme savings of £95,000 are achieved.

10.1.3. The above position includes £1,082,070 use of contingency reserves during the life of the plan.

10.1.4. **ANNEX F** shows the projected General Fund revenue position in detail.

10.2. Housing Revenue Account Revenue Position

10.2.1. The medium term Housing Revenue Account revenue position is as set out in the table below.

Summary Revenue Position	2021/22	2022//23	2023/24	2024/25
	£	£	£	£
Budget (surplus) / deficit brought forward	814,870	1,870,230	835,630	(774,340)
Revenue consequence of Capital spend (section 4.3)	1,014,580	(793,900)	(1,384,560)	641,880
Interest Rate Changes (section 5.1)	44,730	1,070	(660)	(6,070)
Borrowing Costs (section 5.1)	(98,010)	(118,890)	(58,230)	9,630
Inflation Pressures (Section 5.2)	127,140	138,680	100,220	101,280
Increased / reduced budget demand (section 5.3)	58,000	0	0	0
Increased / reduced budget growth (section 5.4)	0	0	0	0
Increase in Other Operating Expenditure (section 5.6)**	21,120	23,860	23,900	27,910
Reduction in Rent and Other Charges (section 6.5)	(112,200)	(285,420)	(290,640)	(591,220)
In Year Change in Position	**1,870,230**	**835,630**	**(774,340)**	**(590,930)**
HRA Rationalisation Plan (section 4.4)**	0	0	0	0
Budget (Surplus) / Deficit	**1,870,230**	**835,630**	**(774,340)**	**(590,930)**

10.2.2. **ANNEX G** shows the projected Housing Revenue Account revenue position in detail.

11. CONSULTATION

11.1.1. The Council is committed to consulting with residents and other stakeholders to help inform the budget setting process and spending priorities/non-priorities. A variety of techniques have been used and the approaches have been iterative, building year on year on what has gone before. The Council already holds comprehensive information gathered about residents' spending priorities. Much of this information was gathered in times of rising expenditure. The financial challenges for the Council are now very different.

11.1.2. The consultation process for the 2020/21 Budget was undertaken via an online communication included in the business newsletters. With the significant uncertainties and risk within this MTFP update, it is extremely difficult to have any meaningful consultation at this stage with so many factors not fully understood. This will be enhanced again for next year's budget setting and MTFP process.

ANNEX A

Proposed Capital Programme – General Fund (2020/21 to 2024/25)

Capital Schemes	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£	£	£	£	£	£
Asset Management						
Public Buildings	571,530	2,749,360	3,518,680	666,320	666,320	8,172,210
Car Parks	652,000	200,000	152,620	-	-	1,004,620
Public Conveniences	-	-	288,100	122,610	-	410,710
Waterways Infrastructure	164,560	83,190	340,760	313,950	100,000	1,002,460
Leisure Centres	160,770	208,000	55,000	380,920	108,630	913,320
Depots & Park Buildings	8,200	345,900	345,900	35,000	5,300	740,300
	1,557,060	**3,586,450**	**4,701,060**	**1,518,800**	**880,250**	**12,243,620**
Housing(RTB 1 for 1)	**170,000**	**374,000**	**925,000**	**504,000**	**504,000**	**2,477,000**
Disabled Facilities Grants	**330,000**	**489,110**	**489,110**	**489,110**	**489,110**	**2,286,440**
ICT	**198,360**	**67,050**	**50,000**	**50,000**	**50,000**	**415,410**
Fleet Management	**162,750**	**1,527,330**	**187,500**	**698,080**	**88,500**	**2,664,160**
Other Schemes						
Play Facilities	90,000	9,040	-	-	-	99,040
Regeneration	-	2,346,110	-	-	-	2,346,110
Market Town Regeneration	63,250	-	-	-	-	63,250
Sports Development	70,000	-	40,000	-	-	110,000
CCTV	59,790	-	-	-	-	59,790
	283,040	**2,355,150**	**40,000**	**-**	**-**	**2,678,190**
Total Programme	**2,701,210**	**8,399,090**	**6,392,670**	**3,259,990**	**2,011,860**	**22,764,820**
Funding of Programme						
External Contributions	523,070	3,762,090	1,456,770	489,110	489,110	6,720,150
Planning Obligations	43,000	-	-	-	-	43,000
Capital receipts	57,180	250,000	905,000	2,255,880	998,000	4,466,060
Capital receipts (One for One)	170,000	374,000	925,000	504,000	504,000	2,477,000
Capital Receipts (Vehicles)	-	12,500	62,750	11,000	20,750	107,000
Capital reserves	100,000	-	-	-	-	100,000
Earmarked Reserves	64,450	-	-	-	-	64,450
Borrowing	1,743,510	4,000,500	3,043,150	-	-	8,787,160
	2,701,210	**8,399,090**	**6,392,670**	**3,259,990**	**2,011,860**	**22,764,820**

Proposed Capital Projections (2020/21 to 2024/25) – Council Dwellings (HRA)

Scheme	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
	£	£	£	£	£	£
ASSET MANAGEMENT WORKS:						
Roofing Works	536,000	187,560	332,040	96,720	249,730	1,402,050
Gamesley Cladding works	125,000	250,000	125,000	0	0	500,000
Bathroom Programme	200,000	506,590	498,570	109,950	315,560	1,630,670
Kitchen Programme	1,074,170	754,180	714,010	112,920	670,300	3,325,580
Electrical Works	169,430	549,250	799,020	647,350	496,760	2,661,810
Central Heating Works	0	264,590	399,030	171,870	730,780	1,566,270
Queens Court Boiler Replacement	0	50000	150000	0	0	200,000
Window & Doors Programme	1,126,930	1,310,000	405,100	481,700	1,179,330	4,503,060
Aids & Adaptations	162,000	295,000	295000	295000	295000	1,342,000
Structural and Other Works (Various)	136,460	20,000	0	1,302,700	422,630	1,881,790
Lift Replacements	18,000	680,000	225,000	0	0	923,000
Queens Court Lightning Protection	29100	0	0	0	0	29,100
Sheltered Fire Alarm Upgrades	0	140,000	140,000	0	0	280,000
Rendering Works	0	500,000	500,000	500,000	0	1,500,000
	3,577,090	**5,507,170**	**4,582,770**	**3,718,210**	**4,360,090**	**21,745,330**
REPAIRS TEAM CAPITAL WORKS:						
Void Rewires	48,890	70,000	70,000	70,000	70,000	328,890
Void Kitchens	96,450	155,000	155,000	155,000	155,000	716,450
Void Bathrooms	59,500	70,000	70,000	70,000	70,000	339,500
	204,840	**295,000**	**295,000**	**295,000**	**295,000**	**1,384,840**
STAFFING:						
Staffing Recharges/ Commissioning Costs	100,000	100,000	100,000	100,000	100,000	500,000
	100,000	**100,000**	**100,000**	**100,000**	**100,000**	**500,000**
ASSET PURCHASES:						
Vehicle Purchasing	90,000	289,500	420,000	0	0	799,500
	90,000	**289,500**	**420,000**	**0**	**0**	**799,500**
ICT STRATEGY:						
Housing System	0	100,000	100,000	0	0	200,000
	0	**100,000**	**100,000**	**0**	**0**	**200,000**
TOTAL SPEND	**3,971,930**	**6,291,670**	**5,497,770**	**4,113,210**	**4,755,090**	**24,629,670**

ANNEX B

General Fund Efficiency and Rationalisation Programme (2017/18 – 2021/22)

Efficiency	2017/18	2018/19	2019/20	2020/21	TOTAL
	£'000	£'000	£'000	£'000	£'000
Major Procurements					
Waste Collection etc.	100	200	100	100	500
Leisure Centres	-	-	-	400	400
Facilities Management	-	75	-	-	75
	100	**275**	**100**	**500**	**975**
Asset Management					
Asset Rationalisation	-	30	200	-	230
	-	**30**	**200**	**-**	**230**
Growth					
Housing Growth	-	40	40	40	120
Business Growth	-	-	-	150	150
	-	**40**	**40**	**190**	**270**
Income Generation					
Fees & Charges	-	120	-	120	240
Pavilion Gardens	40	60	70	-	170
Advertising / Sponsorship	50	10	-	-	60
Enhanced Trading	-	-	-	-	-
	90	**190**	**70**	**120**	**470**
Rationalisation					
Management Staffing	100	-	-	-	100
Channel Shift	-	-	-	-	-
Parish Grants	-	26	20	-	46
Service Rationalisation	20	20	-	-	40
	120	**46**	**20**	**-**	**186**
TOTAL	**310**	**581**	**430**	**810**	**2,131**

The above programme has been reprofiled to take account of any changes to the expected timing of savings:-

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£	£	£	£		£
Original Programme	310,000	581,000	430,000	810,000	**-**	**2,131,000**
Amended Programme	388,000	524,000	714,000	410,000	95,000	**2,131,000**
Variance	**78,000**	**(57,000)**	**284,000**	**(400,000)**	**95,000**	**-**
Achieved Q4 2019/20	**-**		**153,000**	**(153,000)**		**-**
Revised Target	**388,000**	**524,000**	**867,000**	**257,000**	**95,000**	**2,131,000**

The HRA Financial Improvement Plan has now been completed.

ANNEX C

Medium Term Financial Plan – Principal Risks

Risk Category	Risk	Mitigation and Controls
Financial Implications	Robustness of financial assumptions within Efficiency and Rationalisation Strategy	Structured project management arrangements have been put in place with detailed business cases for each initiative – these will be strengthened in the service review process
Financial Implications	Additional financial pressures emerge – cost & income	The strategy is kept under constant review and adjustments will be made where necessary
Service Continuity	Interruptions to key services or performance standards	Resource implications and impact are identified as part of the business case process. Service continuity and maintenance of standards of service are key requirements of any new proposals
Corporate Governance	Maintaining stakeholder confidence; lack of clarity on accountability	Ongoing review of standards of internal control (e.g. Financial Procedure Rules reviewed and updated). Internal Audit Plan will be reviewed to account for the new approach proposed in the efficiency & Rationalisation Strategy
Management of Change	Management of corporate and local, cultural change; behavioural risks; residual effects of aggregation; proposed changes to organisational structure, roles & responsibilities	Progress with achievement of aims will be monitored through an effective performance management structure. Investment has been made in a new approach to Organisational Development.
People Risks	Impact of cultural changes; assessment of skills; recruitment & retention; capacity issues	Continuing communications process for the delivery of transformation programme
Key Projects & Partnerships	Managing changes to shared service delivery arrangements	The project management methodology provides for an adequate transition where there are changes in service delivery

Risk Category	Risk	Mitigation and Controls
Performance Management	Adequacy of framework to monitor transition	Risk management processes are embedded
Reputation and Relationship Risks	Maintaining existing partner confidence	Continuing communications process for the delivery of transformation programme
Programme Delivery	Delays in implementation of efficiency savings	Effective governance arrangements in place to monitor plans. Executive Directors and Senior Managers own delivery of efficiencies. Executive Director (Transformation) appointed as programme director.
Programme Delivery	A number of the efficiency / rationalisation initiatives are not achieved	Structured project management approach is in place for delivery including effective exception reporting The strategy is kept under constant review Identification of further efficiency / rationalisation opportunities through benchmarking / effective member working groups
Political Support	Lack of Members support for Plan.	Regular reporting and member briefings including effective scrutiny arrangements

ANNEX D

Chief Finance Officer's Review of Contingencies / Reserves

Chief Finance Officer's Section 25 Review

The purpose of this statement is to provide councillors with information on the robustness of the estimates and the adequacy of reserves in the Medium Term Financial Plan (MTFP).

Background

The Council sets in budget in February each year. In setting the budget the level of Council Tax and other fees and charges are established. Decisions are based on a budget that sets out estimates of what the Council plans to spend on each of its services in the forthcoming year.

The decision on the level of the income is taken before the financial year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase service expenditure above that planned, must be made by:

- Making prudent allowance in the estimates for each of the services; and
- Ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

Section 25 of the Local Government Act 2003 requires that the Council's Chief Finance Officer reports to Full Council when it is considering its Budget for the forthcoming financial year. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so that councillors have professional, authoritative advice available to them when they make their decisions. Section 25 also requires members to have regard to this report in making their decisions.

Robustness of Spending Forecasts

Heads of Service in conjunction with the Council's Head of Finance monitor detailed budgets throughout the year. This enables additional service pressures to be identified on an on-going basis.

Reports are presented on a quarterly basis to the Corporate Select Scrutiny Committee and Executive. These reports highlight all variances between spending and budgets.

The proposal for the 2021/22 Budget and updated MTFP are based on analysis and assurances from Heads of Service and their finance support staff. Executive portfolio holders have worked with their respective Executive Directors throughout the process. Corporate Select members have been able to question the progress of spending throughout the year and received a report on the draft MTFP in September and November 2020. These reports started to outline the significant estimated impact that the coronavirus pandemic has had on the MTFP

Extensive work has also been carried out to produce the MTFP. A range of broad assumptions have been utilised and robustly challenged as part of the process.

Forecasts take account of the financial commitments that emerge from the Council's new Corporate Plan approved in September 2019.

The Council has taken all reasonable and practical steps to identify and make provision for the Council's commitments in 2021/22 in order to achieve a balanced budget – whilst taking into account the financial impact the pandemic has had and continues to have.

Robustness of Income Forecasts

The level of Council Tax has been established with reference to the maximum increase allowed without requiring a referendum. A £5 (Band D equivalent) increase has been provided for in 2021/22, followed by a 1.9% increase in years 2-4 of the MTFP.

The forecasts of the business rates that will be retained by the Council have been calculated in line with the current Business Rates Retention Scheme. The forecasts taken account of the following:

- The baseline income set by government;
- Prudent forecast of the financial benefits of being a member of the Derbyshire pool arrangements;
- The award of reliefs and the receipt of Section 31 grants to compensate;
- Adequate provision to meet the impact of successful appeals; and
- Predicted levels of business rates income are based on known and expected changes to the business rates listing.
- Impact of Covid-19 on collection and debts

The level of fees and charges has been assessed in conjunction with Heads of Service. The proposed levels for 2021/22 take account of the following factors in line with the Council's Charging Policy:

- The cost of providing services should be fully met by income;
- There is a standard approach to concessions for those on low incomes;
- Where a subsidy is agreed, this should be used to support the development of Council services in accordance with priorities; and
- Subsidies should be reconfirmed annually.
- Impact on demand for services in light of Covid-19

In the absence of any further information, this iteration of the MTFP assumes that the Council will continue to receive New Homes Bonus funding at a base level of £450,000 pa; but does so with the recognition of the risk this represents to the viability of the Plan beyond 2021/22.

Key Budget Risks

The forecasts in the MTFP include provisions for savings from the Council's Efficiency and Rationalisation Strategy. The Council has made significant progress with the achievement of the required savings with the majority of the savings having being met. However the Alliance Leadership Team (ALT) will need to continue to deliver the remainder of the programme throughout the early years of the MTFP.

The Government is expected to consult on a number of national reforms which will impact of the Council's finances. These include:

- Fair funding review;
- The Business Rates Retention Scheme including resetting the baseline income;
- Replacement of the New Homes Bonus Scheme.

These changes will have a significant impact on the Council's finances.

The national economic situation is currently unpredictable. The coronavirus pandemic has and will continue to impact on the Council in terms of both the response phase and subsequent recovery phase. In addition, it is impossible to predict the impact of the Brexit process on the Council's finances and financial planning. During this period, there is a risk that a number of local and national economic drivers such as inflation, interest rates, the valuation of assets and liabilities and the demand for and funding of services will be affected.

Adequacy of Reserves

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Local Authority Accounting Panel (LAAP) has a guidance note on Local Authority Reserves and Balances (LAAP Bulletin 77) to assist local authorities in this process. This guidance is not statutory, but compliance is recommended in CIPFA's Statement on the Role of the Finance Director in Local Government. It is best practice to follow this guidance.

The guidance however states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of budget. Each Local Authority should take advice from its Chief Finance Officer and base its judgement on local circumstances.

Reserves should be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- A means of building up funds known as 'earmarked reserves', to meet known or predicted funding requirements.

The CIPFA Guidance highlights a range of factors, in addition to cash flow requirements, that Councils should consider including:

- The treatment of inflation;
- The treatment of demand led pressures;
- Efficiency savings;
- Partnerships; and
- The general financial climate, including the impact on investment income.

The guidance also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term option. If the Council chooses to use reserves as recommended within the Budget, appropriate action will need to be factored into the MTFP to ensure that this is addressed over time.

The risk assessment process has identified a number of key risks which could impact on the Council's resources. The Council continues to face significant funding reductions and on-going budget pressures. In addition there continue to be risks associated with the Business Rate Retention Scheme as well as the continued impact of the pandemic.

With these risks in mind, it is recommended that the Council adopts a policy for reserves as follows:

- Set aside sufficient sums in earmarked reserves that it considers prudent. These reserves are established as are required and are reviewed regularly for both adequacy and purpose and levels are reporting appropriately in line with the established reporting processes; and
- General Reserves are maintained to be at least at the level of the contingency requirement calculated with reference to LAAP Bulletin 77 and reported to Council as part of the approved MTFP.

Earmarked reserves have been established to provide resources for specific purposes.

The proposals contained within this update require a £1,082,070 use of reserves over the period 2021/22 to 2024/25.

CIPFA Resilience Indicators

In 2019 CIPFA produced a Financial Resilience Index. This is a comparative analytical tool that may be used by Chief Finance Officers to support good financial management, providing a common understanding within a council of their financial position.

The index shows a council's position on a range of measures associated with financial risk. The selection of indicators has been informed by the extensive financial resilience work undertaken by CIPFA over the past four years, public consultation and technical stakeholder engagement.

The index is made up of a set of indicators. These indicators take publicly available data and compare similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance.

The indicators that are produced for district councils are as follows:

- Reserves Sustainability Measure
- Level of Reserves
- Changes in Reserves
- Interest Payable / Net Revenue Expenditure
- Gross External Debt
- Fees and Charges to Service Expenditure Ratio
- Council Tax Requirement / Net Revenue Expenditure
- Growth Above Baseline
- Unallocated Reserves
- Earmarked Reserves
- Change in Unallocated Reserves
- Change in Earmarked Reserves

The indicators where the Council is showing higher risk are associated with the use and level of reserves.

The Sustainability Measure indicates the number of years that the Council's 2018/19 reserves would last if they were used at the same average rate as over the last three years. For the Council this is some 17 years. Despite this being comparatively low, this is a considerably long timeframe and only significant if it is expected to use the reserves at that rate.

CIPFA are looking to update the index in 2021 – however recognising that the reserves position following the impact the Coronavirus has had on Local Authorities will have significantly changed.

Opinion

In my professional view, if the Council were to accept the current MTFP then the level of risks identified in the budget process, alongside the Council's financial management arrangements suggest that the level of reserves is adequate.

Claire Hazeldene
Executive Director & Chief Finance Officer

ANNEX E

Proposed Revenue Projections (2021/22 to 2024/25) – General Fund

Budget Heading	2021/22 Projection	2022/23 Projection	2023/24 Projection	2024/25 Projection
	£	£	£	£
Employees	10,564,990	10,676,230	10,788,140	10,901,040
Premises	4,284,800	4,386,380	4,449,050	4,512,620
Transport	401,560	406,660	411,820	416,980
Supplies & Services	9,872,600	9,210,940	9,309,460	9,490,140
Benefits	82,460	82,460	82,460	82,460
Borrowing	1,824,340	1,919,640	1,967,700	1,951,700
Parish Grant re Council Tax Support	51,320	33,800	16,290	0
Financing Costs	22,130	22,130	22,130	22,130
Total Expenditure	**27,104,200**	**26,738,240**	**27,047,050**	**27,377,070**
Fees and Charges / Other Income	(7,148,290)	(7,103,290)	(7,331,790)	(7,416,790)
Interest Receipts	(40,290)	(39,410)	(40,040)	(63,280)
HRA Recharges	(7,945,080)	(8,104,760)	(8,225,980)	(8,349,260)
Capital Recharges	(231,240)	(231,240)	(231,240)	(231,240)
Net Expenditure	**11,739,300**	**11,259,540**	**11,218,000**	**11,316,500**
Council Tax	(6,193,160)	(6,395,580)	(6,582,650)	(6,774,510)
LCTS Compensation Grant	(126,330)	0	0	0
Business Rates Retention	(3,710,270)	(3,829,040)	(4,053,790)	(4,266,690)
COVID-19 Grant Funding	(529,010)	0	0	0
New Homes Bonus	(341,770)	(450,000)	(450,000)	(450,000)
Contribution to / (use of) Reserves	(3,383,880)	(1,640)	(1,640)	(1,640)
Contribution to / (use of) Balances	(901,880)	(467,110)	(23,370)	310,290
Collection Fund	3,542,000	(21,170)	(11,550)	(38,950)
Total Financing	**(11,644,300)**	**(11,164,540)**	**(11,123,000)**	**(11,221,500)**
Cumulative Deficit / (Surplus)	**95,000**	**95,000**	**95,000**	**95,000**
Efficiency Requirement (cumulative)	(95,000)	(95,000)	(95,000)	(95,000)
Deficit / (Surplus)	**0**	**0**	**0**	**0**

Proposed Revenue Projections (2021/22 to 2024/25) – Housing Revenue Account

Budget Heading	2021/22 Projection	2022/23 Projection	2023/24 Projection	2024/25 Projection
	£	£	£	£
Repairs & Maintenance	4,409,480	4,517,460	4,586,590	4,656,570
Supervision & Management	2,739,230	2,769,930	2,801,020	2,832,320
Rates, Rents, Taxes, Charges	109,130	109,130	109,130	109,130
Other Operating Expenditure	782,430	806,290	830,190	858,100
Depreciation & Impairment Charges	2,099,030	2,099,030	2,099,030	2,099,030
Interest & Debt Management Charges	2,693,060	2,575,240	2,516,350	2,519,910
HRA Contribution to Capital Programme	4,192,640	3,398,740	2,014,180	2,656,060
Total Expenditure	**17,025,000**	**16,275,820**	**14,956,490**	**15,731,120**
Dwellings Rents	(14,483,110)	(14,768,530)	(15,059,170)	(15,650,390)
Non - Dwelling Rents & Other Income	(671,660)	(671,660)	(671,660)	(671,660)
Total Income	**(15,154,770)**	**(15,440,190)**	**(15,730,830)**	**(16,322,050)**
(Surplus) / Deficit for year*	**1,870,230**	**835,630**	**(774,340)**	**(590,930)**

**to be balanced by a (use of) / contribution to reserves*

Housing Revenue Account – Updated Business Plan Forecasts

ANNEX F

		Medium Term Financial Plan										
Year:	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11-20**	**21-30**
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/2040**	**2040/2050**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Rents	(14,602)	(14,714)	(14,999)	(15,290)	(15,881)	(15,891)	(16,082)	(16,397)	(16,717)	(17,044)	(190,400)	(230,226)
Other Income	(441)	(441)	(441)	(441)	(441)	(449)	(458)	(466)	(475)	(484)	(5,371)	(6,481)
Total Income	**(15,043)**	**(15,155)**	**(15,440)**	**(15,731)**	**(16,322)**	**(16,341)**	**(16,540)**	**(16,863)**	**(17,192)**	**(17,527)**	**(195,770)**	**(236,708)**
Supervision & Management	2,618	2,739	2,770	2,801	2,832	2,889	2,947	3,006	3,066	3,127	34,926	42,574
Responsive & Cyclical	4,342	4,409	4,517	4,587	4,657	4,750	4,845	4,942	5,040	5,141	57,421	69,996
Depreciation	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	20,990	20,990
Other Costs	874	892	915	939	967	1,071	1,100	1,132	1,165	1,199	5,765	6,648
Total Expenditure	**9,933**	**10,139**	**10,302**	**10,426**	**10,555**	**10,808**	**10,990**	**11,178**	**11,370**	**11,566**	**119,102**	**140,208**
Net Cost of Services	**(5,111)**	**(5,015)**	**(5,138)**	**(5,305)**	**(5,767)**	**(5,532)**	**(5,550)**	**(5,685)**	**(5,822)**	**(5,961)**	**(76,668)**	**(96,499)**
Capital Charges	2,798	2,700	2,581	2,523	2,533	2,504	2,473	2,442	2,411	2,379	22,084	18,974
Net Operating Surplus / (Deficit)	**(2,312)**	**(2,315)**	**(2,557)**	**(2,782)**	**(3,234)**	**(3,029)**	**(3,077)**	**(3,244)**	**(3,412)**	**(3,582)**	**(54,584)**	**(77,526)**
Revenue Contribution to capital	3,298	4,193	3,399	2,014	2,656	2,484	2,565	2,955	2,758	3,313	40,481	66,373
Interest	(52)	(7)	(6)	(7)	(13)	(13)	(14)	(17)	(17)	(18)	(254)	(795)
Surplus / (Deficit) for the Year	**934**	**1,870**	**836**	**(774)**	**(591)**	**(558)**	**(526)**	**(306)**	**(671)**	**(287)**	**(14,357)**	**(11,948)**
HRA Surplus / (Deficit) b/f	**(16,159)**	**(15,226)**	**(13,355)**	**(12,520)**	**(13,294)**	**(13,885)**	**(14,443)**	**(14,968)**	**(15,274)**	**(15,945)**	**(16,232)**	**(30,589)**
HRA Surplus / (Deficit) c/f	**(15,226)**	**(13,355)**	**(12,520)**	**(13,294)**	**(13,885)**	**(14,443)**	**(14,968)**	**(15,274)**	**(15,945)**	**(16,232)**	**(30,589)**	**(42,537)**