

**Report of Section 151 Officer**

**Revenue Budget 2020/21 and the Medium Term Financial Plan projections**

**1 Purpose of report**

- 1.1 This report has been prepared in order to provide members with detailed proposals for the 2020-21 revenue budget, together with an updated forecast for subsequent financial years.
- 1.2 It also includes a proposal in respect of council tax for 2020-21 in line with the draft budget position previously presented at the Resources Committee meeting on 17 December 2019, and a recommendation for future years' council tax increases.

**2 Executive summary**

- 2.1 This council, along with the majority of others nationally, faces a significant financial challenge to match its current spending levels with the future forecasts for funding. The current demand for services both nationally and locally, particularly those relating to statutory housing obligations are continuing to have a profound impact on the council's revenue position.
- 2.2 The council historically has made significant savings on its revenue budget each year building up its level of reserves in the past; however these savings have been more than offset by the increasing demand pressure and as a result created an underlying budget deficit. The council has, to date, been in a position to be able to fund this deficit using revenue reserves. These reserves have steadily depleted and the need to eliminate the underlying budget deficit has become an essential priority.
- 2.3 Bearing this in mind, the initial budget assumption for 2020/21 was to review all service and corporate budgets including central funding and to adjust for the 2019/20 outturn position and identify savings proposals and income generation where possible mainly across property & projects and treasury. This has resulted in a balanced budget position that does not require any reserves to fund the revenue budget.
- 2.4 The level of available reserves has been stabilised at a very sufficient level well above our minimum level.
- 2.5 The public has been consulted on the budget proposed for 2020/21. 21 Residents responded to the survey and a summary of the responses is included within section 13 of this report.
- 2.6 The report sets out the proposed budget for 2020-21 and the medium term financial position; it recommends the proposed council tax for this council for 2020/21 and indicative future council tax increases.

2.7 A further report on this committee agenda identifies the proposed funding of the capital programme for 2020/21 and subsequent years. Capital issues are therefore not addressed in this report.

2.8 It should be noted that this report is based on the context of this council as a continuing individual entity only and does not take account of the potential two new unitary councils in the county in the future, which is still subject to government approval and which any associated budgets will be the subject of a shadow executive/successor council approval process.

### **3 Appendices**

Appendix 1: Medium Term Financial projections 2019/20 to 2022/23

Appendix 2: 2020/21 Draft Opening Budget for Consultation

Appendix 3: Draft Fees and Charges schedule

Appendix 4: Section 25 Report

### **4 Proposed action: Resources Committee is invited to RESOLVE to:**

4.1 **Approval of an increase in the council's average Band D council tax in 2020-21 of £5.00 (4.33%), as allowed within the referendum limits announced.**

4.2 **After consideration of the S151 Officer's Section 25 report (Appendix 4), approval of the revenue budget for 2020/21 attached at Appendix 1 and the financial projections attached at Appendix 2.**

4.3 **Approve the fees and charges schedule in Appendix 3.**

### **5 Background**

5.1 This committee reviewed the latest medium term financial position at its meeting on 17 December 2019, which outlined the financial challenges facing the council. The figures presented as part of that report have been refreshed following the 2020/21 Local Government Financial Settlement and are shown at Appendix 2.

5.2 The picture presented is quite different to that of previous years. It both reflects, in its opening position, the successes achieved by the council in managing its finances through a prolonged period of fiscal restraint and shows the significant progress made in delivering a balanced budget, with the total forecast shortfall over the years from 2020/21 to 2021/22 being reduced by almost £1.5m compared to the forecasts made at the start of this year.

5.3 The task in front of the council nevertheless remains a challenging one, with continuing uncertainty about future funding levels, especially with the current four year settlement period coming to an end (see Section 7) and a fair funding review to take place for 2021/22 as well as the ever present service pressures that remain.

5.4 The risk of not delivering a fully funded budget over the medium term is still significant as the level of reserves has significantly diminished over previous years and sustainability and funding levels are key priorities of the council.

- 5.5 The report provides the resources committee with the detailed proposals from the Section 151 Officer in respect of the revenue budget for 2020/21. It also formally recommends the council's Band D council tax for 2020/21 and a provisional proposal for future years' council tax levels. The report also provides detailed forward projections for the years 2021/22 to 2022/23 in order that the council can consider early action to address future years' funding gaps.
- 5.6 It should be noted that the funding figures for the council included in this report are the Provisional Local Government Finance Settlement announced in December 2019, which should be confirmed in the Local Government Finance Report in February 2020. No definite date for this announcement has yet been set but once it has been made the appendices in this report will be updated and re-issued with any amendments if necessary. All councillors will have access to the budget reports prior to the full council meeting on 25 February 2020.
- 5.7 This report and its supporting financial projections have been framed in the context of this council as a continuing individual entity. Although we are fully aware of and engaged in the plans to create the new unitary councils from 2021/22, the planning and management of the maintenance of service levels and the financial sustainability of those plans will form a key part of the successful establishment of the MTFP of any successor body.

## **6 The Medium Term Financial Outlook**

- 6.1 The medium term financial projections indicate a balanced budget position in 2020/21 and 2021/22 providing the savings and income generation put forward can be delivered.
- 6.2 The anticipated level of general fund reserves at the beginning of 2020/21 is £3.15m and the minimum level of reserves currently stipulated in the council's policy, is £1.75m. Currently the council is forecast to retain £1.4m over its minimum level of reserves in 2020/21 and 2021/22.
- 6.3 Due to the excess funding and reserve balances that are forecast to be remaining over the next 2 years it is recommended that some community pots be allocated to allow bids to come forward from the community to deliver local outcomes that would not otherwise be achieved.
- 6.4 The recommended pots for community funds to be allocated for 2020/21 are as follows:  
General Voluntary Grants - £100k  
Health & Wellbeing - £50k  
Community Support (Inc Community Centres/Halls/Open Spaces/Memorials) - £50k  
Homeless Prevention (Inc Debt management) - £100k
- 6.5 During 2020/21 there will be local elections taking place and the one-off cost of this is budgeted for and funded within the council's current funding level.
- 6.6 The estimates within this report are based on the current known variables on spending and funding; Appendices 1 and 2 show these in more detail.

## 7 Central government funding

7.1 Previous years' settlement figures from the government for this council are summarised below with a provisional estimate for 2020/21 and are detailed in the MTFP at Appendix 1.

	2017-18 <sup>1</sup>	2018-19 <sup>1</sup>	2019-20 <sup>1</sup>	2020-21 <sup>1</sup>
Revenue Support Grant	0.806	0.531	0.000	0.227
Baseline Funding Level	2.260	2.328	2.605	2.420

7.2 The four year settlement was effective in establishing an element of certainty and facilitating forward planning and budgeting, by ensuring that councils understood their minimum financial resources from these grants until 2019/20. The final part of remaining RSG that was rolled into the Business Rates Baseline has been allocated for 2020/21 which is the only significant change from the assumed position in December 2019 and is a positive one for BCW.

7.3 There is however considerable uncertainty on the funding position from 2020/21 onwards. The outcomes of the Fair Funding Review have not yet been announced and, while the stated objective remains the production of an updated system of allocation of resources that accurately reflects the spending needs of each council, the mechanics of the formula that will achieve this allocation and, more importantly, what and how much will be allocated remains unknown.

7.4 The greatest area of uncertainty is, inevitably, the future of local retention of business rates. The original objective was that, by the end of the current settlement period, the move to 100% local retention would have been achieved. The latest indications are the move to 75% local retention will form a key part of the settlement from 2021/22. The Northamptonshire pool was successful in becoming a pilot in 2019/20 and gaining additional business rates income which has been earmarked to support the Future Northants programme.

## 8 New homes bonus (NHB)

8.1 The local government finance settlement for 2019/20 reduced the amount allocated for the NHB scheme to £918m. Previous changes were:

- The length of NHB payments was reduced in length from 6 years to 5 years in 2017-18 and 4 years from 2018-19.
- From 2017-18, the introduction of a national baseline for housing growth of 0.4% below which NHB will not be paid, reflecting a percentage of housing that would have been built anyway.

8.2 In last year's medium-term forecast, these changes had a significant impact on the council's actual and forecast allocation of NHB, with the amount expected to be received falling from £1m in 2019/20 to less than £600k in 2020/21 and less than £300k in 2021/22. The provisional amount for 2020/21 based on performance has come out closer to our 2019/20 position which again is a one-off bonus and future years' assumptions remain unchanged.

8.3 The provisional settlement confirmed that legacy payments for 2020/21 will be one-off and will not carry forward beyond this. The assumptions included within the MTFP have budgeted for 4 years' worth of payments for 2020/21 then reducing to 2 years for 2021/22 and then 1 year for 2022/23 after which NHB will cease to exist. This is as expected with our previous assumptions and will be confirmed as part of the final settlement.

## 9 Council tax

9.1 For 2019/20 the council increased its average Band D council tax by £4.83 to £115.54 (4.36%), which was below the threshold to trigger any referendum requirements. It was also provisionally agreed to increase the council's average Band D council tax by £5 for 2020/21 and 2021/22, subject to meeting the referendum criteria and on consideration of the local circumstances at the time of setting the budget.

9.2 The MTFP has been updated to reflect this position and the referendum criteria for 2020/21 has allowed for the planned £5 increase. For future years, the assumption has now been made that the referendum criteria will be in line with those expected for 2020/21, which allows for rises of up to £5 or 2.99%, whichever is the greater.

9.3 The national average shire district council tax, at £185.27, is 60% higher than the existing council charge of £115.54 (excluding parish precepts and special expense areas) so were the council to remain in existence as it stands, this would provide considerable scope to remain a low-tax authority whilst moving towards a large degree of financial self-sustainability within the foreseeable future. Also, in relation to the other six district and borough councils within the county, we currently charge the second lowest council tax, excluding parish precepts. We move to the lowest council tax charge when parish precepts are included in the calculation.

9.4 When central government sets our levels of funding they also look at our own tax raising abilities (spending power) and have assumed that we will increase our council tax in 2020/21 and 2021/22 by £5 per annum, in line with current referendum limits.

9.5 The table below illustrates the effect of these increases and shows that, even at the end of the medium term period, the council charge will be significantly below the 2019/20 national average district council tax of £185.27.

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Estimated Tax Base	<b>25,113</b>	<b>25,469</b>	<b>26,106</b>	<b>26,758</b>
Assumed annual increase	£4.83	£5.00	£5.00	£5.00
Equates to a weekly increase of:	£0.09	£0.10	£0.10	£0.10
Equates to an annual increase of:	4.52%	4.33%	4.15%	3.98%
Assumed Band D Charge (Excluding local precepts and special expense area)	£115.54	£120.54	£125.54	£130.54

9.6 By continuing to increase the council tax, this council acknowledges that moving towards becoming self-sustaining through council tax and business rates would help ease some concerns about the long-term position of the authority. It would enable us to maintain control over our ability to fund investments and provide the

certainty required should we need to borrow in future.

9.7 The council tax base for 2020/21 has already been agreed as 25,469. The Council Tax resolution for 2020/21 will be presented to Council on 25 February 2020. This will include the council tax for the borough council, county council and Police and Crime Commissioner and the fire service.

9.8 The position in respect of Band D council tax for the borough council is shown below:

	2019-20	2020-21	%
1. Average Band D Council Tax (Excluding local precepts)	£151.05	£155.88	3.20
Of which:			
2. Borough Council – Band D	£115.54	£120.54	4.33
3. Wellingborough town rate – Band D	£59.24	£59.24	0.00

## 10 Future Funding changes

10.1 The Spending Review technical consultation confirmed that existing Business Rates pilots, other than the original 5 created in 2017, will finish at the end of the current financial year. There will be no further pilots in 2020/21.

10.2 The fair funding review, announced back in December 2017, will reassess and update spending needs and tax-raising capacities and set new baseline funding allocations. It is anticipated that this will fundamentally change the funding allocated across councils and will look to address social care needs over other issues which would result in a significant reduction in resources if BCW were to continue beyond 2020/21. However, this is likely not to be the case and therefore it's difficult to assess what the impact on the county and the 2 new unitary councils will be, but this is being monitored and updates will follow throughout next year when things become clearer.

10.3 These complexities and uncertainties and the very real risk that there may be more significant decreases in retained income from business rates mean that the need to place still greater reliance on locally raised taxes and income needs to be re-emphasised and still more strongly. In line with this, revenue spending levels should reflect the ability to raise funding locally to ensure that the budget position is sustainable and stable for the future. It is for this reason that the promotion of both economic and residential growth is paramount to the continued financial sustainability of the council.

## 11 Fees and charges

11.1 Income from fees and charges will become a key consideration to help meet the financial challenge faced by the council. An assumption has been made that the current fees and charges will be, where possible, increased by approx. 2.8% in line with the current RPI inflation rate at the end of September 2019. Some of these may, however, be commercially sensitive and the effect that the price increase may have on levels of demand has not yet been considered. Other fees and charges are limited by statute and will need to be reviewed in line with the relevant guidelines. Burial fees have been increased by more than inflation to

support some capital investment required at the cemeteries within the town. The committee is asked to approve the fees and charges schedule as shown at appendix 4.

## **12 2019/20 Forecast Outturn and 2020/21 Budget**

- 12.1 An initial draft budget for 2020/21 was modelled taking account of any known or estimated service related savings and funding changes. This is shown at appendix 2. All known ongoing changes identified in the 2019/20 budget monitoring process have been included in the revenue budget for 2020/21.
- 12.2 The budget is based on the most probable 2019/20 outturn position as well as fully incorporating the most accurate central funding position in relation to Council Tax, New Homes Bonus and Business Rates and the senior management team have undertaken a full review of the 2020/21 budget to ensure robustness and that service delivery is maintained, in line with agreed corporate priorities.
- 12.3 The estimated impact of the pay award which will be effective from 1 April 2020 has been incorporated into the figures, but again no allowance has been made for any other inflation, with services being required to absorb inflationary pressures within their base budgets. On top of the pay award, management have met with HR and the unions and have agreed to review BCW staff JE scores broadly in line with a comparator authority's pay and grading which would result in staff being consistently graded and would have a positive impact for the majority of staff. Any staff that were and remain under protection will continue to be protected until any TUPE into the new unitary authority. This is currently with Unison and staff will be communicated with as soon as this is agreed. The impact of this has been funded within the current staffing budget and establishment via the use of several vacancies not being recruited to.
- 12.4 The latest forecast outturn for 2019/20 as at the end of December is shown on the next table and has improved further since last reported to a £561k underspend and has reduced the use of earmarked reserves down to £606k.

Service Area	Original Budget 2019/20	Revised Budget 2019/20	Forecast Outturn at 31st March 2020	Forecast Variance at 31st March 2020
	£000's	£000's	£000's	£000's
	(a)	(b)		
Community Support	1,408	1,423	1,448	25
Environmental & Health Protection	614	667	645	-22
Housing	558	579	529	-50
Property and Projects	425	446	459	13
Planning and Building Control	333	351	314	-37
Environmental Services	4,269	4,282	4,223	-59
Organisational Development	227	230	229	-1
Democratic Services	681	661	657	-4
Operational Property	865	847	791	-56
Investment Property	-1,808	-1,766	-1,788	-22
<b>Information Technology Shared Service</b>	858	939	939	-
<b>District Law Shared Service</b>	164	164	164	-
Accountancy	780	499	498	-1
Internal Audit	61	61	61	-
Revenue and Benefits - Benefit Subsidy	550	550	367	-183
Revenue and Benefits - Operational	444	467	380	-87
	<b>10,429</b>	<b>10,400</b>	<b>9,916</b>	<b>-484</b>
Corporate Contingency	-359	-359	-359	-
Bad Debt Provision	10	10	10	-
Depreciation & Amortisation	-1,388	-1,405	-1,405	-
Non Distributed Costs- Pension Fund	1,352	1,352	1,352	-
Investment Income	-282	-282	-363	-81
Audit Fee & Bank Charges	40	40	40	-
<b>Other Income and Expenditure</b>	<b>-627</b>	<b>-644</b>	<b>-725</b>	<b>-81</b>
<b>Corporate Management</b>	<b>281</b>	<b>286</b>	<b>290</b>	<b>4</b>
<b>Parish Precepts</b>	<b>575</b>	<b>575</b>	<b>575</b>	<b>-</b>
<b>2019/20 Budget Requirement</b>	<b>10,658</b>	<b>10,617</b>	<b>10,056</b>	<b>-561</b>
Government Funding	-	-	-	-
Business Rates	-2,521	-2,658	-2,658	-
Section 31 Grant	-985	-1,370	-1,370	-
Council Tax	-4,393	-4,393	-4,393	-
New Homes Bonus	-1,029	-1,029	-1,029	-
Use of General Fund Reserves	-1,001	-438	0	438
Earmarked Reserves	-729	-729	-606	123
<b>2019/20 Funding</b>	<b>-10,658</b>	<b>-10,617</b>	<b>-10,056</b>	<b>561</b>
<b>Net Position</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>



- 12.5 The net budget for the council has reduced from circa £10m to circa £9.5m and the details of this are summarised below, based on standard CIPFA classification headings:

Classification	2019-20 Original Budget £'000	2020-21 Draft Budget £'000	Movement £'000	Comments
Employees	6,383	6,501	118	
Premises	920	920	-	
Transport	95	95	-	
Supplies & Services	4,591	4,247	-344	
Benefit Payments	25,495	25,495	-	
Wellingborough Norse	4,550	4,142	-408	
Govt Grants (incl Benefit Subsidy)	-4,534	-4,534	-	
Property Income	-2,588	-2,588	-	
Other income	-24,295	-24,763	-468	
<b>Total</b>	<b>10,617</b>	<b>9,515</b>	<b>-1,102</b>	

- 12.6 The 2020/21 base budget has decreased significantly by £1.53m from 2019/20. £450k is also included for one-off items relating to community grant funds and the local elections taking place in May 2020. The changes are summarised in the following table:

	Base Budget Movements	£'000
	<b>2019/20 Base Budget B/F</b>	<b>10,617</b>
<b>Service</b>	<b>Increases to Net Budget</b>	
Staff Pressures	Salary Inflation plus paypoints	136
Grants to Voluntary Bodies	Creation of community grant funds for general, health & wellbeing, community support and homeless prevention	300
Elections	Cost of May 2020 local elections	150
	<b>Net Pressures</b>	<b>586</b>
	<b>Decreases to Net Budget</b>	
Norse Service Income	Additional fees and charges income generated will offset inflationary pressures regarding additional green waste and travel costs and reimbursement of Norse costs for land and properties transferred to Greatwell Homes	-408
Castle management costs	Contractual reduction in management fee	-181
Grants to Voluntary Bodies	Removal of all base budget voluntary grants	-202
Property	Additional Property Income to be achieved	-290
Rev's and Ben's	Reduced subsidy through reduction of TA	-250
Housing	Reduced expenditure through reduction of TA	-100
Treasury	Increased Return on investments	-78
Commercial profits	Profit share targets from Norse and NVC	-150
SMT Restructure	Restructure of SMT following departure of Director of Place	-18
Creation of Town Council	Transfer of functions and recharges for back office support	-10
	<b>Net Savings</b>	<b>-1,687</b>
	<b>Net Budget Decrease</b>	<b>-1,101</b>
	<b>2020-21 Revised Total Budget Requirement</b>	<b>9,515</b>

### **13 Budget consultation**

- 13.1 At the Resources Committee meeting of 17 December 2019, members approved the basis for public consultation on the draft budget. In accordance with the plan a consultation document was designed and widely distributed, using Survey Monkey and copies of the consultation document were made available on the council's web site.
- 13.2 21 Residents responded to the survey with 57% agreeing or strongly agreeing with the proposed increase in council tax. 33.3% of residents agreed with the increase in fees and charges with 33.3% neither agreeing or disagreeing and the remainder disagreeing with the proposed increases. Over half of the respondents also answered and supported the creation of the community funds with some suggestions of widening the scope of usage. There were some suggestions of reductions of expenditure and fees and charges which will be considered during 2020/21.

### **14 Chief Finance Officer's statement and General Fund Balance**

- 14.1 As required under Section 25 of the Local Government Act 2003, the Section 151 Officer for the council has to provide his or her opinion on the robustness of estimates. The Section 25 report is shown at Appendix 4.
- 14.2 This report also covers some of the financial risks facing the authority in the medium term, in addition to those risks identified at section 15 of this report.
- 14.3 The most recent outturn projections for the current financial year indicate that the council's general fund balance at 31st March 2020 will be £3.15m. The level of general fund reserves has been stabilised as part of this budget setting process ensuring a more sustainable position to cope with any further changes to the levels of funding. This is covered further in Appendix 4.

### **15 Legal powers**

Local Government Acts 1992 & 2003  
Local Government Finance Act 2012

### **16 Financial and value for money implications**

- 16.1 The medium term financial projections shows the required savings needed over the next three years to match spending levels with estimated funding levels. The proposed budget strategy for this period is to achieve and maintain a position where the revenue budget is sustainable and not supported by reserves.

## 17 Risk analysis

<b>Nature of risk</b>	<b>Consequences if realised</b>	<b>Likelihood of occurrence</b>	<b>Control measures</b>
Inaccuracies in the reported budgets	Overspends and reduced reserves and balances	Low due to quality assurance	Robust financial practices
Changes in activity levels and new burdens in the short term	Overspends and reduced reserves and balances	Probable in the short term until more robust budget forecasting in place	Further improvements to forecasting arrangements
Assumptions in the report are unrealistic	Further adjustments to service delivery methods and savings targets in medium term and use of reserves in the short term	Possible	Robust monitoring of the variables and periodic refreshing of data
Failure to meet the financial strategy in the medium term	Further adjustments to service delivery methods and savings targets in medium term and decreased levels of reserves	Possible	Robust financial planning and budgetary processes, including the monitoring of the implementation of proposals
Failure to meet the savings required/efficiencies in a managed way	Further adjustments to service delivery methods and savings targets in medium term and use of reserves in the short term	Possible	Management actions and member monitoring. Compensating/ alternative proposals developed
Changes in future funding driven by government	Further adjustments to service delivery methods and savings targets in medium term and use of reserves in the short term	Likely	Close monitoring of potential changes and early reporting of impacts

## 18 Implications for resources

There will inevitably be significant resource implications across all service areas on staffing, finance and property resources arising from the budget process and these have been outlined where deemed appropriate.

**19 Implications for stronger and safer communities**

Any implications will be considered as part of the budget setting process and community pots have been incorporated to strengthen the councils funding available for this purpose.

**20 Implications for equalities**

Equalities impact screening has been carried out and there are no implications.

**21 Author and contact officer**

Shaun Darcy, Executive Director & S151 Officer

**22 Consultees**

Liz Elliott, Managing Director  
Eric Symons, Assistant Director & S151 Officer  
Julie O'Connell, Finance Manager  
All relevant budget holders across the council

**23 Background papers**

Medium Term Financial Strategy Report – Resources Committee February 2019.  
Draft Revenue Budget 2020/21 and the Medium Term Financial Plan projections –  
Resources Committee December 2019  
Provisional Local Government Finance Settlement 2020/21

## Medium Term Financial Projections 2019-20 to 2022-23

	2019-20	2020-21	2021-22	2022-23
	£ 000's	£ 000's	£ 000's	£ 000's
<b>Current spending levels B/F</b>	11,059	10,617	9,515	8,619
<b>Net Changes - Standstill Budget</b>	-66			
<b>Revised spending levels</b>	10,993	10,617	9,515	8,619
<b>Inescapable pressures - Operational:</b>				
Pay Inflation - Future Years		90	92	94
Pay Point Increases		46	55	60
Vacancy Factor 2%	-97			
Community Grant Funds - One-off		300	-300	
Elections - May 2020		150	-150	
Castle interim management costs		-181	-8	2
Grants to Voluntary Bodies		-202		
Income from additional Investment Properties	-100	-240		
Treasury Investment Income		-78		
Norse Pension Gain	-165		165	
Removal of Elections and Central Post Budget	-41			
Transfer of activities to Wellingborough Town Council Including Events		-10		
Rationalisation of Operational Properties		-30		
Street Lighting renewal programme		-20		
SMT Restructure and shared working		-18		
Profit Share targets for NVC and Norse		-150		
Environmental Fees & Charges Policy			-750	
Parish Precepts	27			
Norse Operational Costs and Greatwell Homes Land Rationalisation	-100	-408		
<b>Service Transformation</b>				
Shared Services (IT Strategy)	100			
<b>Statutory/National Changes:</b>				
Homelessness & Temporary Accommodation Pressures		-350		
<b>Total Changes to Base spending levels</b>	<b>-376</b>	<b>-1,101</b>	<b>-896</b>	<b>156</b>
<b>Revised spending levels C/F</b>	<b>10,617</b>	<b>9,515</b>	<b>8,619</b>	<b>8,775</b>
<b>Financed by:</b>				
Underlying Budget Deficit:	-659	-0	-0	-37
<b>Central Government Funding</b>				
Business Rates Retention Scheme - Baseline	-2,605	-2,420	-2,468	-2,518
Business Rates Retention Scheme - Growth	-524	-552	-291	-306
Business Rates Retention Scheme - Pooling Benefit	-131	-139	-73	-78
Section 31 Grant	-1,370	-1,370	-1,370	-1,370
Business Rates Collection Fund (-surplus/deficit)	590	670	670	670
<b>Total Business Rates Income</b>	<b>-4,040</b>	<b>-3,811</b>	<b>-3,532</b>	<b>-3,601</b>
Council Tax - Baseline	-4,178	-4,377	-4,572	-4,795
Council Tax - Growth	-69	-41	-77	-90
Council Tax - Band D Increase (£5 & 1.99%)	-126	-127	-131	-134
Council Tax Collection Fund (-surplus/deficit)	-20	-	-	-
<b>Total Council Tax Income</b>	<b>-4,393</b>	<b>-4,545</b>	<b>-4,780</b>	<b>-5,019</b>
New Homes Bonus	-1,029	-932	-270	-84
Planned use of Earmarked Reserves	-729	-	-	-
<b>Total On going Funding available</b>	<b>-10,190</b>	<b>-9,515</b>	<b>-8,582</b>	<b>-8,704</b>
<b>Total Funding including the one off use of reserves from previous years</b>	<b>-10,849</b>	<b>-9,515</b>	<b>-8,583</b>	<b>-8,741</b>
Additional savings needed to balance budget/additional use of reserves (+) or reduced need for reserves (-)	-233	0	35	34
<b>Original Cumulative Total Savings needed:</b>	<b>426</b>	<b>0</b>	<b>37</b>	<b>71</b>
<b>Changes as a result of in year Budget Monitoring</b>	<b>- 426</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revised Cumulative Total Savings needed:</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>71</b>
<b>General Fund Reserves as at 1st April</b>				
Less used to fund annual base shortfalls	-	-	37	71
Transfers from Earmarked Reserves	-	-	-	-
<b>Total revised General Fund Balance</b>	<b>-3,155</b>	<b>-3,155</b>	<b>-3,119</b>	<b>-3,048</b>

## 2020/21 Draft Opening Budget for Consultation

Service Area	2019-20 ORIGINAL			2020-21 DRAFT		
	Expenditure Budget	Income Budget	TOTAL Budget	Expenditure Budget	Income Budget	TOTAL Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Community Support	957	(37)	920	861	(37)	824
Environmental & Health Protection	865	(211)	654	902	(211)	691
Housing	1,308	(750)	558	1,218	(750)	468
Property & Projects	372	(87)	285	384	(87)	297
Planning & Building Control	1,163	(830)	333	1,174	(830)	344
Environmental Services	4,910	(1,257)	3,653	4,660	(1,257)	3,403
Organisational Development	227	-	227	249	-	249
Democratic Services	684	(3)	681	787	(3)	784
Operational Property	769	(15)	754	739	(15)	724
Investment Property	786	(2,603)	(1,817)	792	(3,101)	(2,309)
Information Technology Shared Service	794	-	794	894	-	894
District Law Shared Service	164	-	164	164	-	164
Accountancy	780	-	780	780	(144)	636
Internal Audit	61	-	61	61	-	61
Revenues & Benefits - Benefits Subsidy	20,575	(20,025)	550	20,325	(20,025)	300
Revenues & Benefits - Operational	1,113	(670)	443	1,150	(670)	480
To be redistributed	-	-	0	(28)	-	(28)
<b>Service Income and Expenditure</b>	<b>35,528</b>	<b>(26,488)</b>	<b>9,040</b>	<b>35,112</b>	<b>(27,130)</b>	<b>7,982</b>
Corporate Contingency	(259)	(100)	(359)	(259)	(100)	(359)
Bad Debt Provision	10	-	10	10	-	10
Non Distributed Costs - Pension Fund	1,352	-	1,352	1,352	-	1,352
Investment Income	5	(294)	(289)	5	(372)	(367)
Audit Fee And Bank Charges	40	-	40	40	-	40
<b>Other Income and Expenditure</b>	<b>1,148</b>	<b>(394)</b>	<b>754</b>	<b>1,148</b>	<b>(472)</b>	<b>676</b>
<b>Corporate Management</b>	<b>282</b>	<b>-</b>	<b>282</b>	<b>282</b>	<b>-</b>	<b>282</b>
<b>Parish Precepts</b>	<b>575</b>	<b>-</b>	<b>575</b>	<b>575</b>	<b>-</b>	<b>575</b>
<b>TOTAL BUDGET</b>	<b>37,533</b>	<b>(26,882)</b>	<b>10,651</b>	<b>37,117</b>	<b>(27,602)</b>	<b>9,515</b>

## Fees and Charges Schedule 2020-21

**2019-20 Fees & Charges**

		3.500	0.028	
	VAT Status	Current Charge 2019-20 £	Proposed Charge 2020-21 £	Proposed Percentage Increase
<b><u>Council Minutes etc.</u></b>				
<b><u>Minutes</u></b>				
Commercial Concerns	Zero Rated	163.20	167.70	2.76%
<b><u>Planning Committee</u></b>				
Agendas, reports and minutes	Zero Rated	326.50	335.60	2.79%
Minutes	Zero Rated	82.50	84.80	2.79%
<b><u>Register of land held by Public Bodies</u></b>				
Copy of an entry	VAT excl	14.20	14.50	2.11%
Duplicate sheet	VAT excl	0.40	0.40	0.00%
<b><u>Freedom of Information Act</u></b>				
Requests for information:	O/S Scope			
<p>A charge can be made for the materials (eg Paper, CD Rom, Video Tape etc) needed to respond to a request for information, if the total cost is £10 or more. If the cost of materials is less than £10 no charge can be made. Photocopies are to be charged at 10p per sheet of paper. Staff time taken to find and prepare the information in response to a request is to be charged at £25 per hour. However, if the total amount of time taken is less than 18 hours (£450), no charge may be made.</p>				
Register of Electors (Full or Open) - Paper Copy	O/S Scope	£10, plus £5 per 1000 entries (or part thereof)	£10, plus £5 per 1000 entries (or part thereof)	
Register of Electors (Full or Open) - Data Copy	O/S Scope	£20, plus £1.50 per 1000 entries (or part thereof)	£20, plus £1.50 per 1000 entries (or part thereof)	
Certificate of Residency	O/S Scope	15.00	15.00	

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Cremation Fees</u></b>				
Adult Cremation (over 16 years)	<b>Exempt</b>	899.00	899.00	0.00%
Child cremation (up to 16 years)	<b>Exempt</b>	no charge	no charge	
Off peak funerals (to finish before 10am and to start after 4pm)	<b>Exempt</b>	799.00	799.00	0.00%
Evening and weekend funerals	<b>Exempt</b>	899.00	899.00	0.00%
No service required at the crematorium	<b>Exempt</b>	675.00	675.00	0.00%
Extended service (total length of 1 hour 20 minutes)	<b>Exempt</b>	200.00	200.00	0.00%
Simple service	<b>Exempt</b>	N/a	600.00	
<b><u>Additional optional fees</u></b>				
Scattering ashes only (witnessed by mourners):	<b>Exempt</b>	32.00	32.00	0.00%
Scattering ashes, with a service (40 mins) inside the crematorium	<b>Exempt</b>	84.00	84.00	0.00%
Scattering ashes (no witnesses present):				
if the cremation took place at Nene Valley Crematorium		no charge	no charge	
if the deceased had resided in the borough during the past year	<b>Exempt</b>	32.00	32.00	0.00%
if the deceased had not resided in the borough during the past y	<b>Exempt</b>	40.00	40.00	0.00%
Scattering ashes – either witnessed or unwitnessed (where the deceased had not resided in the borough during the past year)	<b>Exempt</b>	40.00	40.00	0.00%
Memorial service with no cremation (40 mins)	<b>VAT incl</b>	200.00	200.00	0.00%
<b><u>Cemeteries</u></b>				
<b><u>Interments-Public &amp; Purchased Graves ( Monday - 11.30 Friday)</u></b>				
Age to 1 month	<b>Exempt</b>	No charge	No charge	
Over 1 month - 16 years	<b>Exempt</b>	No charge	No charge	
<b>Over 16 years</b>				
Depth to 6 ft.	<b>Exempt</b>	381.70	400.00	4.79%
Burial that takes place within 24 hours (subject to availability of trained per	<b>Exempt</b>	544.30	800.00	46.98%
Per additional ft.	<b>Exempt</b>	77.10	100.00	29.70%
Chamber - Single Interment	<b>Exempt</b>	280.10	400.00	42.81%
Chamber - Double or Second Interment	<b>Exempt</b>	507.50	900.00	77.34%
Cremated Remains	<b>Exempt</b>	89.30	170.00	90.37%
Memorial Chambers	<b>Exempt</b>	82.50	120.00	45.45%
Prepurchased mausoleum	<b>Exempt</b>	803.30	1200.00	49.38%
Construction and installation of a timber pack (supplied by trained personnel) to enable a shroud burial and entry to a grave	<b>Exempt</b>	398.10	600.00	50.72%



**Fees and Charges Schedule 2020-21**

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Interments-Public &amp; Purchased Graves (Friday after 11.30am to 3.30pm, Saturday 9.00am -10.30 am)</u></b>				
Depth to 6 ft.	<b>Exempt</b>	572.60	590.00	3.04%
Burial that takes place within 24 hours (subject to availability of trained per	<b>Exempt</b>	816.40	1275.00	56.17%
Per additional ft.	<b>Exempt</b>	115.70	150.00	29.65%
Chamber - Single Interment	<b>Exempt</b>	420.40	600.00	42.72%
Chamber - Double or Second Interment	<b>Exempt</b>	761.30	1200.00	57.63%
Cremated Remains	<b>Exempt</b>	134.40	260.00	93.45%
Memorial Chambers	<b>Exempt</b>	124.60	180.00	44.46%
Prepurchased mausoleum	<b>Exempt</b>	1205.00	1600.00	32.78%
Construction and installation of a timber pack (supplied by trained personnel) to enable a shroud burial and entry to a grave	<b>Exempt</b>	597.10	900.00	50.73%
<b><u>Interments-Public &amp; Purchased Graves (Saturday after 10.30am, Sundays and bank holidays)</u></b>				
Depth to 6 ft.	<b>Exempt</b>	763.40	790.00	3.48%
Burial that takes place within 24 hours (subject to availability of trained per	<b>Exempt</b>	1088.60	1630.00	49.73%
Per additional ft.	<b>Exempt</b>	154.20	200.00	29.70%
Chamber - Single Interment	<b>Exempt</b>	560.20	800.00	42.81%
Chamber - Double or Second Interment	<b>Exempt</b>	1015.00	1500.00	47.78%
Cremated Remains	<b>Exempt</b>	178.60	350.00	95.97%
Memorial Chambers	<b>Exempt</b>	165.00	250.00	51.52%
Prepurchased mausoleum	<b>Exempt</b>	1606.60	1800.00	12.04%
Construction and installation of a timber pack (supplied by trained personnel) to enable a shroud burial and entry to a grave	<b>Exempt</b>	796.20	1200.00	50.72%
<b><u>Exclusive Rights</u></b>				
Earth Graves (9 ft. x 4 ft.)	<b>Exempt</b>	392.20	600.00	52.98%
Childs Plot (4 ft. x 3 ft.)	<b>Exempt</b>	191.80	315.00	64.23%
Memorial Garden (2 ft. x 2 ft.)	<b>Exempt</b>	127.90	175.00	36.83%
Chamber - Single Interment	<b>Exempt</b>	382.70	700.00	82.91%
Chamber - Double or Second Interment	<b>Exempt</b>	382.70	700.00	82.91%
Memorial Chamber, Ashes (Including Plaque)	<b>Exempt</b>	318.70	500.00	56.89%
Mausoleum - Purchase, facia tablets and inscription	<b>Exempt</b>	3479.60	3580.00	2.89%

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Memorials</u></b>				
Vase or Tablet	<b>Exempt</b>	35.10	60.00	70.94%
Headstone or other monument	<b>Exempt</b>	194.10	200.00	3.04%
Kerb	<b>Exempt</b>	110.30	120.00	8.79%
Additional inscriptions	<b>Exempt</b>	55.00	60.00	9.09%
Replacement of headstones	<b>Exempt</b>	62.70	100.00	59.49%
Use of chapel	<b>Exempt</b>	38.30	60.00	56.66%
Use of organ	<b>Exempt</b>	38.30	60.00	56.66%
Search Fee	<b>VAT incl</b>	42.80	70.00	63.55%
Exhumation	<b>Exempt</b>			
Exhumation of Ashes	<b>Exempt</b>			
<b><u>Special Conditions</u></b>				
Purchaser has not lived in the Borough for at least one year in the past ten years - 100% uplift in charges (applies to purchase of exclusive rights only)				
Deceased has not lived in the Borough for at least one year in the last five years - 100% uplift in charges (applies to interment fee and memorial applicants)				
<b><u>Maintenance of Graves</u></b>				
Levelling and turfing grassed graves on one occasion	<b>Exempt</b>	91.30	120.00	31.43%
Maintaining other graves for 25 years	<b>Exempt</b>	750.30	1000.00	33.28%
Planting on a single occasion	<b>Exempt</b>	62.70	90.00	43.54%
Spring & Summer flowers for 25 years	<b>Exempt</b>	1501.80	2000.00	33.17%
<b><u>Bulky Waste Collection</u></b>				
Up to 5 items	<b>O/S Scope</b>	37.80	38.80	2.65%
<b><u>Swanspool Pavilion</u></b>				
Monday to Saturday- Minimum Charge (3 hours)				
<b>Off Peak - Per Hour (Min. 2 hours):</b>				
Level 1 - Open and close.	<b>Exempt</b>	15.80	16.20	2.53%
Level 2 - Open, set out, clear away and close.	<b>Exempt</b>	20.10	20.60	2.49%
Level 3 - As 2 but remain present.	<b>Exempt</b>	28.50	29.20	2.46%
<b>Peak - Per Hour (Min. 2 hours) :</b>				
Level 1 - Open and close.	<b>Exempt</b>	20.10	20.60	2.49%
Level 2 - Open, set out, clear away and close.	<b>Exempt</b>	28.50	29.20	2.46%
Level 3 - As 2 but remain present.	<b>Exempt</b>	31.70	32.50	2.52%

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Tithe Barn</u></b>				
<b>Off Peak - Per Hour (Min. 2 hours):</b>				
Level 1 - Open and close.	<b>Exempt</b>	20.10	20.60	2.49%
Level 2 - Open, set out, clear away and close.	<b>Exempt</b>	24.10	24.70	2.49%
Level 3 - As 2 but remain present.	<b>Exempt</b>	37.30	38.30	2.68%
<b>Peak - Per Hour (Min. 2 hours) :</b>				
Level 1 - Open and close.	<b>Exempt</b>	24.10	24.70	2.49%
Level 2 - Open, set out, clear away and close.	<b>Exempt</b>	37.30	38.30	2.68%
Level 3 - As 2 but remain present.	<b>Exempt</b>	45.10	46.30	2.66%
<b><u>Swanspool House (Meeting rooms)</u></b>				
<b>Off Peak - Per Hour (Min. 2 hours)</b>				
Level 1 - Open and close.	<b>VAT excl</b>	20.10	20.60	2.49%
Level 2 - Open, set out, clear away and close.	<b>VAT excl</b>	24.10	24.70	2.49%
Level 3 - As 2 but remain present.	<b>VAT excl</b>	37.30	38.30	2.68%
<b>Peak - Per Hour (Min. 2 hours)</b>				
Level 1 - Open and close.	<b>VAT excl</b>	24.10	24.70	2.49%
Level 2 - Open, set out, clear away and close.	<b>VAT excl</b>	37.30	38.30	2.68%
Level 3 - As 2 but remain present.	<b>VAT excl</b>	45.10	46.30	2.66%
<b><u>Finedon Town Hall</u></b>				
<b>Off Peak - Per Hour (Min. 2 hours):</b>				
Level 1 - Open and close.	<b>Exempt</b>	15.80	16.20	2.53%
Level 2 - Open, set out, clear away and close.	<b>Exempt</b>	20.10	20.60	2.49%
Level 3 - As 2 but remain present.	<b>Exempt</b>	28.50	29.20	2.46%
<b>Peak - Per Hour (Min. 2 hours):</b>				
Level 1 - Open and close.	<b>Exempt</b>	20.10	20.60	2.49%
Level 2 - Open, set out, clear away and close.	<b>Exempt</b>	27.90	28.60	2.51%
Level 3 - As 2 but remain present.	<b>Exempt</b>	31.70	32.50	2.52%

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>All Halls</u></b>				
Sundays and Bank Holidays - 50% surcharge				
Commercial Rate - 100% surcharge				
Registered charities 50% discount				
8 or more bookings, bookings in excess of 16 hours 10% discount				
Cleaning Fee ( Disco's, Weddings etc.)	<b>Exempt</b>	68.30	70.20	2.78%
Hire of Piano (where available)	<b>Exempt</b>	2.50	2.50	0.00%
Licensed Bar Facilities (per booking)	<b>Exempt</b>	40.60	41.70	2.71%
<b><u>Parks</u></b>				
Floral Decorations	<b>Exempt</b>	33.00	33.90	2.73%
Chairs - Charge per chair per day	<b>Exempt</b>	1.00	1.00	0.00%
Bandstand Section - each per day	<b>Exempt</b>	3.70	3.80	2.70%
Castlefields Bandstand - per day	<b>Exempt</b>	10.00	10.20	2.00%
<b><u>Fairs</u></b>				
Charged at a daily rate per operating day for areas of land up to 15,000 sq	<b>Exempt</b>	280.10	287.90	2.78%
Additional 25% charged for any Bank Holiday on which the fair is operating	<b>Exempt</b>	350.20	360.00	2.80%
Returnable deposit to be paid by the fair operators, some or all of which m	<b>Exempt</b>	750.00	771.00	2.80%
<b><u>Circus</u></b>				
Per week	<b>Exempt</b>	1035.00	1063.90	2.79%
Returnable deposit to be paid by the fair operators, some or all of which m	<b>Exempt</b>	750.00	771.00	2.80%
<b><u>Parks Games</u></b>				
Football	<b>VAT incl</b>	45.10	46.30	2.66%
Cricket -Day Matches	<b>VAT incl</b>	54.00	55.50	2.78%
Cricket -Evening Matches	<b>VAT incl</b>	36.30	37.30	2.75%
Tennis per court (per 45 minutes)	<b>VAT incl</b>	4.80	4.90	2.08%
Bowls-Per Rink (per hour)	<b>VAT incl</b>	4.80	4.90	2.08%
Equipment Hire Charges-Per Item (Query the proposed charge)	<b>VAT incl</b>	1.00	1.00	0.00%
Equipment Hire charges-Deposit (per session)	<b>VAT incl</b>	6.90	7.00	1.45%

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Local Land Charges - Search Fees</u></b>				
LLC1 only	Exempt	18.00	18.00	0.00%
Con 29 (R)	VAT incl	78.00	78.00	0.00%
Con 29 (R) (except Q2, 3.1, 3.2, 3.4, 3.6)	VAT incl	41.00	41.00	0.00%
	VAT incl/			
Con 29 (R) and LLC1	Exempt	96.00	96.00	0.00%
Con 29 (O) (Q4-22)	VAT incl	12.00	12.00	0.00%
CON 29 (O) (22)	VAT incl	13.50	13.50	0.00%
Additional Enquiry (Per question)	VAT incl	38.30	38.30	0.00%
Second Parcel	VAT incl	13.00	13.00	0.00%

### **Planning**

Please see fees schedule on link:

[http://www.wellingborough.gov.uk/info/200128/planning\\_permission/1069/fees](http://www.wellingborough.gov.uk/info/200128/planning_permission/1069/fees)

Building Control (excluding Countywide fees)				
Building Control Charges	VAT incl			
Copies of Building Regulation Approvals, Completion Certificates, Regularisation Certificates and any other stored document (Microfiched or stored applications)	O/S Scope	44.00	45.40	3.18%
Copies of Building Regulation Approvals, Completion Certificates, Regularisation Certificates and any other electronically stored document available for emailing	O/S Scope	16.80	17.20	2.38%
Duplicate or second page	O/S Scope	0.40	0.40	0.00%
Re-charge plan fee for applications rejected twice.				
Written Information from Archived Files to Solicitors and members of the public (per question)		38.30	39.30	2.61%
Desk top research and letter to confirm exempt work for Building Regulations	VAT excl	55.80	57.30	2.69%
Supervised Viewing of Files (per hour or part thereof)	VAT excl	55.80	57.30	2.69%
Site visits requested for investigation or advice in respect of Building Regulation matters OF ANY TYPE (not subject to a current application) fee deductible from BC application fee	VAT incl	72.40	74.40	2.76%
Withdrawal of Application before work commences or full plans examination takes place, and a refund of the fee is requested	VAT incl	64.10	65.80	2.65%
Electrical testing by an electrical contractor		Cost recovery		

## Fees and Charges Schedule 2020-21

## Appendix 3

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Copying Charges</u></b>				
Planning Decisions notices or other stored or microfiched document	<b>VAT excl</b>	16.80	17.20	2.38%
Duplicate Sheet	<b>VAT excl</b>	0.40	0.40	0.00%
Written Information from Archived Files to Solicitors and members of the public (per question)	<b>O/S Scope</b>	38.30	39.30	2.61%
Paper copies of any document (including TPOs and S106 agreements)	<b>VAT excl</b>	44.20	45.40	2.71%
Electronic emailed documents (TPO and S106 Agreements and any other	<b>VAT excl</b>	16.80	17.20	2.38%
Electrical testing by an electrical contractor		Cost recovery	Cost recovery	
<b><u>Pest Control - General Charges - All premises</u></b>				
Charge inclusive of Materials	<b>VAT excl</b>	83.00	85.30	2.77%
Call out charge- if treatment not required	<b>VAT excl</b>	26.75	27.40	2.43%
<b><u>Food Safety</u></b>				
Street Trading - Licence	<b>O/S Scope</b>	1165.60	1198.20	2.80%
- Consent	<b>O/S Scope</b>	781.50	803.30	2.79%
- Transfer fee		40.00		
Food Export Certificate	<b>O/S Scope</b>	87.00	89.40	2.76%
Voluntary Surrender of Food	<b>O/S Scope</b>	£40 per hr	£40 per hr	
Food Hygiene Rating Requested Re-rating Revisit		126.60	126.60	0.00%
<b><u>Private Water Supplies</u></b>				
Risk assessment		35- 500	35- 500	
Sampling per visit ( £35 per hour)		35-100	35-100	
Other Investigations (£35 per hour)		35-100	35-100	
Grant of Authorisation		100.00	100.00	
Analysis of Samples				
Under Regulation 10		0-25	0-25	
Taken during Check monitoring		0-100	0-100	
Taken during Audit monitoring		0-500	0-500	
<b><u>Control of Stray Dogs</u></b>				
Collection of a stray dog fee	<b>O/S Scope</b>	50.00	50.00	0.00%
Kennelling fee per day	<b>VAT incl</b>	7.00	7.00	0.00%

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Welfare Funeral</u></b>				
Officer fees		£35 per hr	£35 per hr	
<b><u>Works in Default</u></b>				
Officer fees		£35 per hr	£35 per hr	
<b><u>Health &amp; Safety</u></b>				
Factual report requested for civil actions	<b>O/S Scope</b>	166.40	171.00	2.76%
<b><u>Health Courses</u></b>				
Food Hygiene/Health & Safety Courses				
Individual	<b>VAT excl</b>	64.90	66.70	2.77%
Group	<b>VAT excl</b>	488.70	502.30	2.78%
<b><u>Taxi Licensing</u></b>				
<b><u>Hackney Carriage / Private Hire</u></b>				
Vehicle licence	<b>O/S Scope</b>	199.00	204.50	2.76%
Driver's Licence original (3years)	<b>O/S Scope</b>	179.00	184.00	2.79%
Driver's Licence renewal (3years)	<b>O/S Scope</b>	175.00	179.90	2.80%
Operator's Licence, original and renewal (5 years)	<b>O/S Scope</b>	316.00	324.80	2.78%
Trailers	<b>O/S Scope</b>	60.00	61.60	2.67%
Hackney Carriage Knowledge Test	<b>O/S Scope</b>	64.00	65.70	2.66%
Private Hire Drivers Test	<b>O/S Scope</b>	16.00	16.40	2.50%
Transfer of Vehicle Licence (paperwork only, no plates)	<b>O/S Scope</b>	21.25	21.80	2.59%
Temporary Vehicle Transfer (plates included)	<b>O/S Scope</b>	52.00	53.40	2.69%
Personal Plate Application (plates included)	<b>O/S Scope</b>	52.00	53.40	2.69%
In Year Permanent Vehicle Replacement	<b>O/S Scope</b>	52.00	53.40	2.69%
Short Term Drivers Badge (previously Temporary)	<b>O/S Scope</b>	20.00	20.50	2.50%
Transfer of Vehicle Ownership	<b>O/S Scope</b>	21.25	21.80	2.59%
<b><u>Hackney Carriage / Private Hire - Spares and Replacements:</u></b>				
Rear Vehicle Plate	<b>O/S Scope</b>	25.00	25.70	2.80%
Hackney Internal Plate	<b>O/S Scope</b>	17.00	17.40	2.35%
Private Hire Internal Plate	<b>O/S Scope</b>	18.00	18.50	2.78%
Bracket	<b>O/S Scope</b>	25.00	25.70	2.80%
Windscreen Pouch	<b>O/S Scope</b>	8.00	8.20	2.50%
Lost Drivers Badge Replacement	<b>O/S Scope</b>	20.00	20.50	2.50%
Change in name on Drivers Licence	<b>O/S Scope</b>	20.00	20.50	2.50%
Change of address	<b>O/S Scope</b>	9.00	9.20	2.22%
Copy of licence	<b>O/S Scope</b>	9.00	9.20	2.22%

Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Environmental Health Licensing:</u></b>				
Animal Boarding Commercial	Zero	246.00	254.00	3.25%
Animal Boarding- Kennels/Catteries -renewal	Zero	217.00	223.00	2.76%
Animal Boarding- Kennels/Catteries -grant	Zero	189.00	195.00	3.17%
Animal Boarding- Kennels/Catteries - re-rate or var inc. ins.	Zero	193.00	201.00	4.15%
Animal Boarding- Kennels/Catteries -vary no ins.	Zero	81.00	84.00	3.70%
Animal Boarding- Kennels/Catteries -Appeal	Zero	179.00	188.00	5.03%
Animal Boarding- Kennels/Catteries -Transfer	Zero	24.00	25.00	4.17%
Animal Boarding- Kennels/Catteries -application and grant	Zero	435.00	450.00	3.45%
Animal Boarding Domestic Home	Zero	232.00	242.00	4.31%
Animal Boarding Home - renewal	Zero	204.00	210.00	2.94%
Animal Boarding Home - grant	Zero	165.00	171.00	3.64%
Animal Boarding Home - re-rate or var inc. ins.	Zero	181.00	189.00	4.42%
Animal Boarding Home - vary no ins.	Zero	81.00	84.00	3.70%
Animal Boarding Home - appeal	Zero	175.00	183.00	4.57%
Animal Boarding Home - transfer	Zero	24.00	25.00	4.17%
Animal Boarding Home -application and grant	Zero	397.00	413.00	4.03%
Day care - New	Zero	242.00	250.00	3.31%
Day care - renewal	Zero	213.00	219.00	2.82%
Day care - grant	Zero	181.00	187.00	3.31%
Day care - re-rate or var inc. ins.	Zero	185.00	193.00	4.32%
Day care - vary no ins.	Zero	81.00	84.00	3.70%
Day care - appeal	Zero	175.00	183.00	4.57%
Day care - transfer	Zero	24.00	25.00	4.17%
Day care - application and grant	Zero	423.00	437.00	3.31%
Combined Boarding or Boarding&DayCare - New	Zero	293.00	303.00	3.41%
Combined Boarding or Boarding&DayCare - renewal	Zero	260.00	268.00	3.08%
Combined Boarding or Boarding&DayCare - grant	Zero	240.00	249.00	3.75%
Combined Boarding or Boarding&DayCare - re-rate or var inc. ins.	Zero	224.00	234.00	4.46%
Combined Boarding or Boarding&DayCare - vary no ins.	Zero	83.00	86.00	3.61%
Combined Boarding or Boarding&DayCare - appeal	Zero	215.00	224.00	4.19%
Combined Boarding or Boarding&DayCare - transfer	Zero	24.00	25.00	4.17%
Combined Boarding or Boarding&DayCare - application and grant	Zero	533.00	552.00	3.56%
Dog Breeding Establishment - new	Zero	254.00	269.00	5.91%
Dog Breeding Establishment - renewal	Zero	217.00	224.00	3.23%
Dog Breeding Establishment - grant	Zero	193.00	200.00	3.63%
Dog Breeding Establishment - re-rate or var inc. ins.	Zero	197.00	205.00	4.06%
Dog Breeding Establishment - vary no ins.	Zero	83.00	86.00	3.61%
Dog Breeding Establishment - appeal	Zero	179.00	188.00	5.03%
Dog Breeding Establishment - transfer	Zero	24.00	25.00	4.17%
Dog Breeding Establishment - application and grant	Zero	447.00	469.00	4.92%



## Fees and Charges Schedule 2020-21

Appendix 3

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
Pet Shops (Application):	Zero	264.00	273.00	3.41%
Pet Shops - renewal	Zero	231.00	238.00	3.03%
Pet Shops - grant	Zero	237.00	245.00	3.38%
Pet Shops -re-rate or var inc. ins.	Zero	201.00	209.00	3.98%
Pet Shops - vary no ins.	Zero	89.00	93.00	4.49%
Pet Shops - appeal	Zero	195.00	204.00	4.62%
Pet Shops - transfer	Zero	24.00	25.00	4.17%
Pet Shops - application and grant	Zero	501.00	518.00	3.39%
Exhibiting Animals -application	Zero	234.00	243.00	3.85%
Exhibiting Animals -renewal	Zero	219.00	226.00	3.20%
Exhibiting Animals -grant	Zero	185.00	191.00	3.24%
Exhibiting Animals - application and grant	Zero	419.00	434.00	3.58%
Riding Establishments (excludes veterinary inspection charges)	Zero	313.00	343.00	9.58%
Riding Establishments- renewal	Zero	308.00	318.00	3.25%
Riding Establishments- grant	Zero	268.00	277.00	3.36%
Riding Establishments- re-rate or var inc. ins.	Zero	240.00	250.00	4.17%
Riding Establishments- vary no ins.	Zero	95.00	98.00	3.16%
Riding Establishments- appeal	Zero	215.00	224.00	4.19%
Riding Establishments- grant	Zero	24.00	25.00	4.17%
Riding Establishments- application and grant	Zero	581.00	620.00	6.71%
Dangerous Wild Animals	Zero	218.00	226.00	3.67%
Zoo Licence	Zero	POA	POA	
<b><u>Ear Piercing, Acupuncture, Electrolysis, Skin colouring and Tattooing:</u></b>				
Registration of New Premises & Practitioners	Zero	257.00	280.00	8.95%
Add/Remove Practitioner(s)	Zero	55.00	67.00	21.82%
<b><u>Sex Shops:</u></b>				
Application	Zero	1265.00	1316.00	4.03%
Renewal	Zero	337.00	350.00	3.86%
<b>Hypnotism</b>	Zero	132.00	140.00	6.06%
<b><u>Scrap Metal Dealers Licence</u></b>				
Site Licence	Zero	367.00	382.00	4.09%
Collectors Licence	Zero	272.00	283.00	4.04%
Variation to Site Licence	Zero	74.00	77.00	4.05%
Duplicate Copy Licence	Zero	16.00	17.00	6.25%

## Fees and Charges Schedule 2020-21

## Appendix 3

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Boat Licences</u></b>				
New Licence	Zero	125.00	130.00	4.00%
New Plaques	VAT incl	113.00	118.00	4.42%
Renewal	Zero	POA	POA	
<b><u>Mobile Homes:</u></b>				
<b>Application Fee:</b>				
1 - 10 pitches	Zero	160.00	166.00	3.75%
11 - 50 pitches	Zero	214.00	223.00	4.21%
51 - 100 pitches	Zero	269.00	280.00	4.09%
101 + pitches	Zero	322.00	335.00	4.04%
<b>Annual Fee</b>				
1 - 5 pitches	Zero	Exempt	Exempt	
6 - 10 pitches	Zero	106.00	110.00	3.77%
11 - 50 pitches	Zero	133.00	138.00	3.76%
51 - 100 pitches	Zero	160.00	166.00	3.75%
101 + pitches	Zero	187.00	194.00	3.74%
Application to transfer or amend licence	Zero	160.00	166.00	3.75%
Depositing, varying or deleting Site Rules	Zero	106.00	110.00	3.77%
<b><u>Fixed Penalty Notices</u></b>				
<b><u>Health Act 2006</u></b>				
Failure to display smoke-free signage (Section 6)	O/S Scope	£200 reducing to £150 if paid within 15 days	£200 reducing to £150 if paid within 15 days	
Smoking in a smoke-free vehicle or premises (Section 7)	O/S Scope	£50 reducing to £30 if paid within 15 days	£50 reducing to £30 if paid within 15 days	
<b><u>Environmental Protection Act 1990</u></b>				
Depositing litter	O/S Scope	75.00	75.00	0.00%
Failure to comply with a waste receptacles notice	O/S Scope	60.00	60.00	0.00%
Failure to furnish documentation (waste transfer notes)	O/S Scope	300.00	300.00	0.00%
Unauthorised distribution of literature on designated land	O/S Scope	75.00	75.00	0.00%

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Clean Neighbourhood and Environment Act 2005</u></b>				
Nuisance parking	<b>O/S Scope</b>			
> offering for sale on the road two or more vehicles	<b>O/S Scope</b>	100.00	100.00	0.00%
> repairing vehicles on the road	<b>O/S Scope</b>	100.00	100.00	0.00%
<b><u>Control of Pollution (Amendment) Act 1989</u></b>				
Failure to produce authority (waste carriers licence)	<b>O/S Scope</b>	300.00	300.00	0.00%
<b><u>Anti-Social Behaviour Crime and Policing Act, 2014</u></b>				
Failure to comply with provision of Public Space Protection Order on Dog (	<b>O/S Scope</b>	100.00	100.00	0.00%
Failure to comply with requirements of a Community Protection Warning N	<b>O/S Scope</b>	100.00	100.00	0.00%
<b><u>Private Sector Housing</u></b>				
Border Agency inspection certificates	<b>VAT excl</b>	122.30	125.70	2.78%
Licence Application Fee for Houses in Multiple Occupation Fee	<b>O/S Scope</b>	1000.00	1000.00	0.00%
Enforcement Notice - Maximum fee (section 10 and 11 of the Housing Act	<b>Exempt</b>	300.00	300.00	0.00%
<b><u>Rural Housing Needs Surveys</u></b>				
Full Survey Document	<b>VAT excl</b>	533.00	547.90	2.80%
Full Survey Document - Parish Council	<b>VAT excl</b>	320.00	328.90	2.78%
Housing Needs Survey - Consultancy Charges	<b>VAT excl</b>			
<b><u>Keyways - Advertising of Housing Association Properties</u></b>				
Per Advert	<b>Exempt</b>	70.00	70.00	0.00%
Per New Build Advert	<b>Exempt</b>	35.00	35.00	0.00%

## Fees and Charges Schedule 2020-21

	VAT Status	Current Charge 2019-20	Proposed Charge 2020-21	Proposed Percentage Increase
<b><u>Licensing of Additional Markets (non standard)</u></b>				
<b><u>Number of Pitches &amp; Event Fee</u></b>				
1-20 Registration Fee	<b>Exempt</b>	15.90	16.30	2.52%
Fee Per Event	<b>Exempt</b>	-	-	
21-50 Registration Fee	<b>Exempt</b>	15.90	16.30	2.52%
Fee Per Event	<b>Exempt</b>	21.30	21.80	2.35%
51-75 Registration Fee	<b>Exempt</b>	21.30	21.80	2.35%
Fee Per Event	<b>Exempt</b>	26.50	27.20	2.64%
76-100 Registration Fee	<b>Exempt</b>	26.50	27.20	2.64%
Fee Per Event	<b>Exempt</b>	31.90	32.70	2.51%
101-125 Registration Fee	<b>Exempt</b>	31.90	32.70	2.51%
Fee Per Event	<b>Exempt</b>	37.20	38.20	2.69%
125-150 Registration Fee	<b>Exempt</b>	37.20	38.20	2.69%
Fee Per Event	<b>Exempt</b>	42.60	43.70	2.58%
151-175 Registration Fee	<b>Exempt</b>	42.60	43.70	2.58%
Fee Per Event	<b>Exempt</b>	47.90	49.20	2.71%
176-200 (Max) Registration Fee	<b>Exempt</b>	47.90	49.20	2.71%
Fee Per Event	<b>Exempt</b>	53.30	54.70	2.63%

## Statement of the Chief Finance Officer under the requirements of Section 25 of the Local Government Act 2003

### Robustness of budget estimates and adequacy of reserves

#### 1. Introduction

1.1. This appendix focuses on two responsibilities of the council's Chief Financial Officer under the Local Government Act 2003, which requires the Section 151 Officer to report to Council on the robustness and adequacy of reserves when setting its budget. These provisions are relatively concise and are set out below.

1.1.1. Section 25 (1) of the Local Government Act 2003 requires that "the Chief Finance Officer of the authority must report to it on the following matters:

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

1.1.2. Section 25 (2) requires that an authority to which a report under this section is made, shall have regard to the report when making decisions about the calculations in connection with which it is made (i.e. setting its budget).

1.2. Budget estimates are an assessment of future expenditure and income at a point in time. This statement on the robustness of the estimates gives members a reasonable degree of confidence that the budget has been based on the best available information and assumptions at the time it was built, prior to the beginning of the coming year. It cannot, however, give any guarantees about the budget's accuracy over the coming 12 months.

1.3. Considerable reliance is placed on the senior management team and budget managers having proper arrangements in place to identify potential budget pressures and consider value for money and efficiency when liaising with their service accountant in the production of the budget.

#### 2. Robustness of estimates

2.1. The following commentary will focus on the 2020/21 budgets but will also make an assessment of the risks across the medium term. As per the budget report the assumption has been made that the Borough Council of Wellingborough will be a continuing sovereign entity post April 2021. However, this is likely to change in the near future once the structural changes order for local government reorganisation in Northamptonshire is laid, and if approved will result in the creation of two new unitary councils for North and West Northamptonshire. Any assessment of these two new unitary councils' level of reserves will be part of the Shadow S151 Officer responsibilities for setting the 2021/22 budget and beyond.

### **3. Review of risk in the general fund budget**

- 3.1. The Chief Finance Officer considers that, overall, the estimates as recommended are adequate for the coming year. Previously there were significant risks for future years which the S151 Officer had serious concerns over in respect of the financial sustainability of the authority; however, action taken during this budget setting process has resulted in a significantly improved position.
- 3.2. The concerns raised in the previous reports on the ongoing use of reserves, with no firm future plans to manage the underlying funding deficit have been addressed during this process. The budget has now been balanced with no reliance on reserves to support the expenditure.
- 3.3. The risks on the level of finance available to the council are increasing with the changes to government grants, which have diminished over the medium term and are fundamentally changing from 2021/22.
- 3.4. The most significant risk is the additional pressure resulting from a drastic rise in demand for temporary housing and the discharge of the statutory homeless function over recent years. Changes to legislation have had an increasing detrimental impact on the budgets, and whilst mitigations have been put in place, including significant capital investment, the pressure remains and further mitigations are needed to reduce the demand currently faced.
- 3.5. The balance of reserves predicted at the end of 2020/21 and future years will be above the minimum level. These figures do cover a period of greater uncertainty about income and further action may need to be taken to mitigate future pressures and to find ways of reducing the council's spending to the level of income it receives and this will be monitored during 2020/21.
- 3.6. Significant challenge to the base budget has been undertaken via budget clinics with all budget managers which significantly improved the financial position for 2020/21. There is a risk that resources are diverted away from delivering the efficiencies and savings proposed in the budget and this could have a negative effect on the balance of reserves for future years. This will be monitored and mitigated through the financial monitoring process.
- 3.7. The Medium Term Financial Plan demonstrates a commitment in achieving a fully populated and balanced financial position with no reliance on reserves and ensuring the financial sustainability of the council in the medium to long term. This is positive for the current council or any successor council if the reorganisation is approved.

### **4. Funding levels**

- 4.1. The council took the opportunity of agreeing to a medium term settlement from central government, which guaranteed a minimum level of funding, albeit on a significantly reduced level until 2019/20. With the fair funding review taking longer than anticipated, this has rolled on to 2020/21 on a similar basis.

- 4.2. The level of business rates income is always uncertain and depends mainly on the level of growth the council sees in commercial property on the valuation list. This level fluctuates each year and so there is always a degree of uncertainty in the figures. Similarly the baseline funding levels are due to be reset in 2021 and all current growth has the potential of being lost if not reflected in the new figures. The details of this will not be known until nearer the time, but a prudent approach to the funding levels has been included in the medium term financial plan.
- 4.3. It is therefore essential that action is taken to maximise the growth in business rates by promoting new business premises and economic growth in the borough, and to increase the levels of business rates income over the coming years.
- 4.4. The value for money (VFM) conclusion is an important assessment of the council's financial standing and focusses more on the council having proper arrangements to ensure it makes informed decisions and uses resources to achieve planned sustainable outcomes for tax payers and local people. The council will need to show evidence of outcomes delivered, measured against planned use of resources to deliver them. The council will need to show it has robust outcome-based plans in place.
- 4.5. The continued uncertainty over the funding levels, and increased demand pressures for the period of the medium term financial plan, plus the need to have more robust solutions to manage within these limited resources, means that reserves should be retained as a buffer against the risk of reduced future funding rather than a means of supporting continued spending at levels above the available resources. If the level of funding falls significantly further and no future plans are developed, this risk will not be fully mitigated if reserves continue to be the only means of achieving a balanced budget.

## **5. New Homes Bonus**

- 5.1. The figures used have been estimated on prudent levels of growth. The council uses all of its New Homes Bonus to support its revenue budget. If growth can exceed the current trend this will help alleviate some revenue pressures, and it is therefore important that the residential growth of the borough continues at pace.

## **6. Council tax**

- 6.1. The borough council has historically taken the decision not to increase its council tax as its aim was to be one of the lowest council taxes in the country. In recent years an increase was made, but the council still remains one of the lowest council tax precepts for district councils.
- 6.2. Whilst low council tax may be a good thing for residents' own finances, the previous no-rise strategy has resulted in ongoing financial pressures in keeping pace with the cost of service provision in an environment of diminishing resources. The government now assumes that all councils will maximise the locally raised income, of which council tax is a significant part.

- 6.3. The government's approach appears to be encouragement to maximise local income to increase the self sufficiency of each authority, and it has been assumed in the calculation of each council's core spending power that all councils will raise their council tax. In the borough council's core spending power assessment it has been assumed that a rise of £5 in total to the average Band D Council Tax payable will be made for each coming year.
- 6.4. This increase is allowable under the referendum limits issued as part of the financial settlement, which are detailed in the main budget report.
- 6.5. ***The S151 Officer strongly recommends that the council takes this opportunity, as outlined in the recommendations in the main budget report, to increase council tax by the maximum allowable over the medium term.***

## **7. Unavoidable service pressures**

- 7.1. It is essential that the council continues to set realistic budgets which senior managers can deliver, and to which they can be held accountable.
- 7.2. Therefore managers have been asked to look at all budgets for which they are responsible, to reduce costs and increase efficiencies for service delivery. Some of these costs are unavoidable pay and pension costs that are agreed via external negotiations and have to be built into the base budget.
- 7.3. No other inflationary pressures have been allowed for in the service budgets for 2020/21. This has been the strategy for a number of years now and it can be assumed therefore that service budgets already included significant efficiency gains in the previous financial years and will need to continue to do so.
- 7.4. There is a limit to how much inflationary pressure and service delivery cost increase can be absorbed before the "standstill" budgeting approach starts to have a direct impact on the services delivered. The delivery of the proposed budget will be monitored and managed throughout the year to provide early indications of impacts on the budget position, and to investigate alternative solutions and mitigations. The level of resources is always a risk to delivery and with significant changes potentially being implemented in the coming year this risk is enhanced.
- 7.5. In addition to maintaining current services provided by the council, the expectation from residents and local organisations for the council to do more is becoming evident. These expectations are often driven by other organisations withdrawing funding and support, and the borough council being asked to step in to continue the services that have been historically provided.
- 7.6. Services may be valued by the residents, but where it is not one of the borough council's statutory responsibilities - or it does not prevent costs in other areas - the council must not become the provider of last resort, as this only adds further pressures to this authority's already significantly challenged revenue budget. The council should be mindful of the need not to raise the expectations of residents that it can continue to provide services using its own limited resources.



## 8. Future planning and financial sustainability issues

- 8.1. Whilst this S25 report formally requires the S151 Officer to make an assessment of the robustness of estimates for the coming year and the adequacy of reserves, in doing so the consideration of financial sustainability for the longer term is an important element.
- 8.2. As a result of the significantly improved position compared to last year the S151 Officer feels that the council has taken sufficient action to highlight key risks for the short to medium term financial sustainability and to provide solutions to mitigate those risks.
- 8.3. As already outlined above in section 4, the level of further cuts in central government funding could have a significant impact on the borough council's ability to present a balanced budget in future years if strong strategic plans are not in place to make provision for these. The authority needs to be well placed to deliver its medium term financial plan (MTFP), in an era of much lower public spending and grant support including the council's reliance on New Homes Bonus that could reduce in the future. This would add further pressure and risk to the delivery of the budget over the medium term.
- 8.4. The council needs to be able to demonstrate it has plans in place which address its ongoing budget pressures in a managed and balanced way, providing evidence in the form of an efficiency plan and strategies to deliver savings and efficiencies.
- 8.5. Central government is now promoting self-sufficiency, and raising local income is a key part of their assessment of a council's core spending power. There is no longer a call for council tax to be frozen; in fact there is now a call for it to be increased in every year over the medium term to maximise growth in local income. It assumes that authorities will increase spending power wherever possible. The Borough Council of Wellingborough has already started projects to move towards this approach and has made a decision to use some of its capital receipts to generate income on a significant scale. The council must now address the need to increase its spending power by continuing to take the option to raise its council tax by the maximum allowed under referendum, in line with central government's assumptions.
- 8.6. In addition to the changes in funding, the capacity to identify and deliver savings, given the level of savings already achieved, is getting more limited as almost all of the efficiencies through staff savings have been taken. There may be further efficiencies from operating costs, but these will be limited and new proposals for changes to the way the council delivers its services to its residents are urgently needed. Financial stresses inevitably create service pressures, but the management of these is getting harder as decisions affect more of the services the public expect to receive from the local council. There is a need for more significant transformation projects, and some are already being planned. However, this needs to be in consideration of the likely local government changes that will take place in Northamptonshire from 2021.

- 8.7. The rising demands and expectations of residents and other local organisations for the local council to provide for their needs has to be managed in a period of austerity where there are reducing resources to deliver services to residents and support to other organisations. If the council does not start to manage these expectations, and reduce the reliance on council supported services, the financial demand on its budget will become unsustainable. The council can provide services but it needs to be clear on the level of support it provides in both finance and officer time, both of which are limited. It must also not become the provider of last resort when other organisations reduce or withdraw funding from services.
- 8.8. Like many authorities, the Borough Council of Wellingborough faces a funding gap in the MTFP which is a key risk and concern of the S151 officer.
- 8.9. As more efficiencies and savings are found it will inevitably become harder to manage without impact on service delivery. Sound financial management and planning, based on the corporate outcomes desired, is needed to ensure that statutory services continue and discretionary services are delivered according to local priorities and needs.
- 8.10. A model to deliver regulatory and statutory services within available resources, whilst providing discretionary services to those who need them, has to be developed. This will provide balance to the services delivered and prioritisation of resources needed, and is likely to include some services at cost recovery levels, some subsidised and some offered at commercial rates via different service delivery options. There is no risk at present that regulatory or statutory services will not be delivered, but a robust plan over the MTFP is needed to ensure this position can be maintained.
- 8.11. To date residents have seen very little impact on service delivery and key frontline services, such as waste collection, have not had to make any significant changes. However, these services cannot continue to be protected over the medium term as this has resulted in a disproportionate pressure on other service areas to find all of the savings needed each year. Longer term plans need to be in place to ensure a balanced approach based on clear prioritisation.
- 8.12. Reserves should only be used to manage the risks of uncertainty and to fund one-off costs of change, and can be used to protect services as a short term measure as they are a finite resource.
- 8.13. Whilst the S151 Officer has no immediate concerns for 2020-21 to 2022/23 as reserves are at a sufficient level to provide for any changes to funding or non-delivery of key schemes, the need for strong financial management is apparent to ensure that the financial position of the council is adequately managed and balanced; and robust budgets are agreed for future years.
- 8.14. This is the first year in over a decade that the council has no reliance on reserves from the budget being set and therefore the S151 Officer has more confidence that this report will be a more stable one in the medium term.

8.15. It is worth noting that the use of reserves to balance the budget has a negative impact on councils within the newly issued CIPFA financial resilience index, that is being used to assess all councils' financial strength and sustainability in the short, medium and long term. This will assist in identifying potential problems to be able to rectify them before further significant failures occur within local government and therefore the council's rating on this should see a significant improvement to a council which is already in the top 20 list for financial sustainability.

## **9. Local Government Reform in Northamptonshire**

9.1. As mentioned earlier in Section 2, this report has been written under the assumption that the Borough Council of Wellingborough is a continuing council post 2021. As no official decision to change this position has been made the S151 Officer must continue in this assumption and this has been the basis of the assessment of the medium term position.

9.2. However, the likelihood that local government reform will be agreed in the coming months is probable. The future of the governance arrangements for local government is uncertain and subject to significant change in 2021. If confirmed, this will bring further risks to the council during the course of 2020/21, notably staffing capacity to deliver the business as usual for the council as well as supporting the creation of the new unitary councils on top of the contributions to the Future Northants programme already budgeted for using the flexible use of capital receipts to fund this.

9.3. The financial challenges faced remain relevant under whatever form the new governance arrangements take. If this council does not continue post 2021, the successor council will need to start from a position of financial sustainability from the outset and this has been a primary consideration in setting the 2020/21 budget.

## **10. Adequacy of reserves**

10.1. The Secretary of State has reserve powers under the Local Government Act 2003 to set a minimum level of reserves. It is more likely that this power would be exercised where an authority is running down its reserves against the advice of the Chief Financial Officer.

10.2. There is no precise methodology for calculating the adequacy of reserves. They are the council's safety net for unforeseen circumstances and must last the lifetime of the council, unless contributions are made from the revenue budget. The minimum level of balances cannot be judged merely against the current risks facing the council, but must be regularly updated as these risks can, and will, change over time.

10.3. An appropriate level of reserves is determined by the S151 Officer's professional judgement based on local circumstances including: overall budget value; corporately identified risks; robustness of budgets; major initiatives being undertaken; budget assumptions; available earmarked reserves and provisions; and the council's historic record of effective budget management.

- 10.4. Not keeping a minimum prudent level of reserves can have serious consequences. In the event of a major problem or series of adverse events, the authority could be forced to cut spending on other areas during the year in a potentially damaging and arbitrary way.
- 10.5. As set out in the Reserves Policy, the council holds earmarked reserves to provide against known commitments and general fund reserves to protect against a wide range of financial risks.
- 10.6. The Chief Financial Officer has taken a risk management approach to the level of general fund reserves and determined that the minimum level should be £1.75m.
- 10.7. In arriving at the recommendation on the minimum prudent level of reserves, strategic, operational, and financial risks have been taken into account, as has the robustness of estimates information (above) and guidance from CIPFA and Government.
- 10.8. Issues taken into account include:
- a) Uncertainty about whether the full effect of any efficiency measures/increased income will be achieved.
  - b) The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The local authority is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by government. The assistance is usually 85% of eligible costs over the threshold (up to the threshold the authority must meet 100% of the costs). The scheme applies to any incident where conditions occur that are clearly exceptional by local standards and the damage to local authority infrastructure or communities must be exceptional in relation to normal experience. In the first instance these costs would be met from reserves.
  - c) The risk of major litigation.
  - d) Unplanned volume increases in major demand led budgets, particularly in the context of a growing town.
  - e) Potential insurance claims and outstanding liabilities,
  - f) The need to retain a general contingency to provide for any unforeseen circumstances which may arise, including risk of emergency repairs to public buildings.
  - g) The need to retain some reserves for general day-to-day cash flow management.
  - h) Any costs of transformation when reviewing the 2020/21 budget position in year or planning for future years.
- 10.9. The Chief Financial Officer therefore recommends
- That a minimum prudent level of reserves be set at £1.75m for 2020/21. This will be reviewed at least annually. This minimum level is designed to cope with unpredictable circumstances, which cannot be addressed by management or policy action within the year.

- That it be noted that this does not represent a medium-long term safe level of reserves. The level can only accommodate the impact of significant events up to the level set, and would need to be replenished if one or more such events actually occur.

## **11. General fund earmarked reserves**

- 11.1. The council holds a level of earmarked reserves for specific financial risks in addition to general fund balances.

## **12. Adequacy of reserves conclusion**

- 12.1. In brief, whilst risk exists for future years, the estimates for the coming year are robust both in respect of the underlying estimates and the future deliverability of potential reductions. Similarly, from a Section 151 Officer perspective there is always a desire to have a high level of reserves to protect against the unknown. However, against the backdrop of reduced public finances and the need to protect services, especially for the most vulnerable in the community, the level of reserves is currently considered adequate. As financial risks change, this position will be reviewed accordingly and the level of reserves will be revised in line with good risk management procedures.

