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COTSWOLD
DISTRICT COUNCIL

Monday, 25 January 2021

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OVERVIEW AND SCRUTINY COMMITTEE

A meeting of the Overview and Scrutiny Committee will be held remotely, via Cisco Webex on Tuesday, 2 February 2021 at 4.00 pm.

Rob Weaver
Chief Executive

To: Members of the Overview and Scrutiny Committee
(Councillors Councillor Ray Theodoulou, Councillor Andrew Maclean, Councillor Claire Bloomer, Councillor Gina Blomefield, Councillor Richard Norris, Councillor Dilys Neill, Councillor Roly Hughes, Councillor Patrick Coleman and Councillor Stephen Andrews)

Due to the current social distancing requirements and guidance relating to Coronavirus Regulations 2020 – Part 3 – Modification of meetings and public access requirements this meeting will be conducted remotely using Cisco Webex.

Members of the public will be able to follow the proceedings through a broadcast on [Cotswold District Council Facebook account](#) (You do not need a Facebook account for this).

Cotswold District Council, Trinity Road, Cirencester, Gloucestershire, GL7 1PX

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Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

AGENDA

1. Apologies
2. Minutes
3. Substitute Members
To note details of any substitution arrangements in place for the Meeting.
4. Declarations of Interest
To receive any declarations of interest from Members and Officers, relating to items to be considered at the meeting.
5. Minutes (Pages 5 - 16)
To confirm the minutes of the meeting of the Committee held on 1 December 2021.
6. Chair's Announcements
7. Public Questions
To deal with questions from the public within the open forum question and answer session of fifteen minutes in total. Questions from each member of the public should be no longer than two minutes each and relate issues under the Committee's remit.
8. Member Questions
To deal with written questions by Members, relating to issues under the Committee's remit, with the maximum length of oral supplementary questions at Committee being no longer than one minute. Responses to any supplementary questions will be dealt with in writing if they cannot be dealt with at the meeting.
9. Called-in Decisions

10. Ubico and Waste Collection - Presentation
11. Medium Term Financial Strategy and Budget 2021/22 (Pages 17 - 146)
12. Work Programme (Pages 147 - 148)

(END)

Agenda Item 5

Overview and Scrutiny Committee
1 December 2020



COTSWOLD
DISTRICT COUNCIL

Minutes of a meeting held remotely of Overview and Scrutiny Committee held on 1 December 2020

Councillors Present:

Stephen Andrews - Chair

Ray Brassington
Gina Bloomfield
Patrick Coleman

Roly Hughes
Dilys Neill
Richard Norris

Gary Selwyn – Vice Chair
Ray Theodoulou

Councillors Observing:

Mike Every

Jenny Forde

Stephen Hirst

Officers:

Chief Finance Officer
Interim Chief Executive
Managing Director - Publica

Group Manager – Strategic Support
Business Manager - Localities
Democratic Services

OS.27 Apologies were received from Councillors Claire Bloomer and Andrew Maclean.

OS.28 **Substitute Members**

Councillor Ray Brassington substituted for Councillor Claire Bloomer

OS.29 **Declarations of Interest**

No declarations of interest were received from Members or Officers.

OS.30 **Minutes**

RESOLVED that subject to:

- (a) the addition of Councillor Theodoulou's name to the list of attendees;
- (b) Minute No. OS.23(i) to read 'the pandemic was top of the risk register in relation to the local resilience forum, on how lessons should be learnt in order to help communities in future emergencies.'

the Minutes of the meeting held on 1 September 2020 be approved as a correct record;

Record of Voting - for 9, against 0, abstention 0, absent 1.

OS.31 Chair's Announcements

This item was moved to the end of the agenda.

OS.32 Public Questions

Question to Stephen Andrews as Chair of Overview and Scrutiny Committee

Dear Chairman

As a member of the Public, I am extremely concerned that the Cotswold District Council has decided to make fundamental changes to the payment system for the off street car parks in the District.

Firstly, the District Council has recently launched a ' car park payment App' and secondly, that the intention is to introduce a cashless payment scheme by next March 2021 eventually leading to the removal of ticket machines which would have the sole benefit of saving the Council money. Whilst this may be of benefit to the District Council, I question whether this is of benefit to visitors and in particular residents in the Cotswolds.

It is well documented that here in the Cotswolds we have more older people as a percentage of the population than anywhere else in England. Many of these people do not own a mobile phone let alone know what an App is or how to access it!

In the election manifesto published by the Liberal Democrats prior to the May 2019 local election (when the Liberal Democrats took political control), they stated that they were committed 'to rebuilding trust with the electorate, to being open and transparent and to consulting with residents'.

Consequently, I am writing to you as the Chairman of the CDC Overview and Scrutiny Committee to request that you investigate what consultation has taken place (if any) with residents before this decision regarding the changes to the car parking payment system was agreed?

Secondly, could you please explain how this decision was arrived at by the Council?

Response to Mr David Fowles from Cllr Stephen Andrews, Chair Overview & Scrutiny Committee

Dear David,

Thank you for your question of the 12th October 2020. As I recall discussing with you, the next meeting of the Overview & Scrutiny Committee was at that point some time away and I undertook to reply closer to the meeting.

The substantive matter of car parking has been a matter of considerable formal and informal debate since you asked your question. Below, I have included two key points for your information.

The first of these is an extract from the unconfirmed minutes of Full Council of their meeting of the 18th November at which Cllr Nikki Ind raised the issue of Parking.

The second is a Motion relating to parking which was tabled by Cllrs Tony Berry and Stephen Hirst. That Motion was not debated at the time, but was deferred to a future meeting of Cabinet, which is to be held on the 4th January 2021.

In any case, the role of the Overview & Scrutiny Committee is not to act as an “appeals court” on decisions made by the Council. However, I do note that in your final paragraph you raise the issue of “what consultation has taken place (if any) with residents before this decision regarding the changes to the car parking payment system was agreed”.

The way in which the Council communicates with residents across the whole District is important to the Council. It would therefore seem reasonable for the way in which public communication and consultation is undertaken to be something that the Overview and Scrutiny looks at as part of its Work Plan.

Thank you for bringing this matter to my attention.

Question asked and answered at Council on 18 November 2020 Question from Councillor Nikki Ind to Councillor Mike Evemy, Deputy Leader of the Council and Cabinet Member for Finance

Whilst I appreciate the benefits of technology and the cost savings related to cashless parking, following resident’s concerns raised with me, could you please confirm that from next April there will be no way for elderly residents or those without an up to date mobile phone or credit/debit card to pay for car parking in the Cotswolds? How does this allow the District Council to ensure all services remain inclusive?’

Response from Councillor Evemy

Our plans to remove the option to pay for parking using cash were included in the Council’s budget consultation in January 2020 and in the budget papers presented to Council on 26 February. In the Corporate Plan passed by the Council on 23 September 2020, the action ‘Introduce cashless parking in all car

parks' was shown with a commencement date of 'July 2020' and a completion date of 'April 2021'.

There are two main reasons why we intend to phase out the use of cash in our car parks: (i) the cost and environmental impact of cash collections; and (ii) the costs and inconvenience to the public and officers of acts of theft and vandalism.

The Council's 2020/21 budget contains an estimated saving of £35,000 from the removal of cash from car parks. Cash collection requires regular journeys around the District to empty the machines with the associated vehicle use. Over the four year period from 2015/16, we have seen nine incidents of theft or vandalism of machines in our car parks. Whilst we can make insurance claims for the theft or damage to the machines, subject to a £1,000 excess, we incur the cost of the stolen cash and any consequential loss in parking revenue while the situation is rectified ourselves. Costs of the latter can be in five figures when the damage is significant as it was at the Beeches in 2016.

With the launch of our new free parking app on 1 October, we took the opportunity to publicise our plans to remove the option to pay for parking using cash by 31 March 2021. I was interviewed on the subject on BBC Radio Gloucestershire and am aware that this decision has caused concern to some residents and visitors to the District. A significant number of these concerns stem from a report in the Wilts and Glos Standard on 3 October which at the top of the story suggested that the only way to pay in future would be by phone. Clearly, that's not the case. Our plans have always included the retention of the ability to pay by credit or debit card using contactless or chip and PIN technology.

However, I'm aware there are residents who would prefer to continue to use coins to pay for their parking. This may be because they don't own a smartphone or a mobile phone or, if they do, they don't wish to use them for this purpose. It may also be because they do not wish to use a card. In response to your point about inclusion, I believe it is reasonable to expect a car driver to have either a credit or debit card. Most payments for fuel, vehicle licence duty, insurance, repair and servicing bills will be made by card. Access to a basic bank account including a debit card must be made available to all adults.

As part of our administration's plans to rebuild the Council and the services we provide we're committed to improving the parking service and making it easy for people to use. We have seen a considerable increase in the share of car park stays paid for using cards following the first lockdown - between 10% and 16% up on the same months in 2019, with year on year increases in the share of payments by phone/app in September and October of 6% and 8% respectively. These increases coincided with the publicity around the switchover to PaybyPhone and scrapping of the 10p administration charge on 1 October.

However, despite these changes, there are still many people who are parking in our car parks and paying by cash. We want to encourage them to pay using a card or the app and will be working with PaybyPhone on a campaign to encourage this. In recognition of this and the concerns raised by Cllr Ind and others, I have asked officers to bring a report to Cabinet on 4 January 2021 to

provide options for a phased approach to the removal of cash payments with an extension to the completion date of this project to January 2022 in advance of the start of are-tendered cash collection service in February 2022.

Supplementary Question from Councillor Ind

Had communication taken place with residents in relation to any change to this scheme?

Response from Councillor Evemy

He thanked Councillor Ind for her question. Sometimes information relayed to residents through newspapers is out of our control. A line in the newspaper saying that residents won't be able to pay by card is wrong, they absolutely will, the switch will be staggered and the Council will learn from the car parks which are switched over to cashless car parking charges first. People will have good notice when this will happen.

Also the motion presented to Council on 18 November 2020.

Motion 5 of 2020/21 - re Car Parks

Proposed by Councillor Tony Berry, Seconded by Councillor Stephen Hirst.

"That the changes to the way we pay for parking in all CDC Car Parks (due in March 2021) are altered to maintain the options of paying by cash or 'Swipe Card' whilst offering the benefit of 'an app' to those that can use it."

This motion would be forwarded to Cabinet for review, bringing a report back to Council in 2022.

OS.33 Member Questions

No questions had been received from Members.

OS.34 Called in Decisions

No executive decisions had been the subject of Call-In since the Committee's previous Meeting.

OS.35 Update to Medium Term Financial Strategy and Budget 2021/22 - Consultation

The Chief Finance Officer introduced the report explaining that the Government settlement would be published later this month. When this report was in preparation, a prudent Council Tax base was set out for next year. Further work needed to be carried out on the strategy and budget.

Public consultation was still live on the budget proposal up until 8 December 2020. .

Questions from Members related to:

- (a) Savings targets for the Council, income from capital investments and the investment strategy. Concern was expressed that some Councils were finding themselves in a difficult financial situation which was not picked up by their auditors.
- (b) Savings on the Local Government Pension scheme would be realised, as the Council was paying the three year total pension fund deficit contribution in one lump sum and generating annual savings as a result.
- (c) Ubico vehicle fleet is owned by the Council, then leased to Ubico. Ubico charges the Council for the use of the vehicles as part of the contract sum for service delivery.
- (d) Interest payable on borrowing. The Council is able to generate income from the Recovery Investment Strategy.
- (e) Capital receipts in relation to social housing being purchased under Right to Buy.
- (f) Introduction of charges for delivery of waste and recycling containers, which are normally delivered free of charge. Work was being carried out on this by the Cabinet Member for the Environment, Waste and Recycling.
- (g) Car Parks, there had been a delay on opening the Whiteway Car Park and the Waterloo Car Park will remain open for the next year in order for a decision to be made on the multi-storey element of that car park. The delay with the Whiteway Car Park was a result of works required to the access. A Section 278 notice had to be applied for and works were currently being undertaken, which would be completed for the car park to be available for use prior to Christmas.
- (h) New burdens funding is a grant from Government reflecting the cost of additional work which Councils are obliged to perform. There was a land charges project in place, relating to the transfer of responsibilities from the Council to the Land Registry service.
- (i) Gloucestershire County Council is responsible for deciding how to dispose of green waste collected across the county.
- (j) Business rates and risk, the report was prepared on the worst case scenario, before Government announced further financial support for business rate losses. The announcement of the Local Government Financial Settlement will give more detail, with the next report to Cabinet giving more clarity.
- (k) Council Tax referendum limits were likely to remain at £5, if more were to be allowed, this could be revisited within the budget.

RESOLVED that comments made by Committee be forwarded to Cabinet and Council for consideration.

OS.36 **Financial, Council Priority and Service Performance Report – 2020-21 Quarter Two**

The Interim Chief Executive presented this report, it was comprehensive and questions from Members were invited.

Members commented that the report was clearly presented and easy to understand, with a useful comparison of partner councils, and a question was asked whether information could be captured on issues where there were significant differences between the Councils. The Managing Director of Publica indicated that some of the information requested may be able to be captured.

Questions from Members related to:

- (a) Long Term empty property numbers were increasing. It was explained that there was no dedicated officer dealing with this issue currently, the main reason for the increase was people had been unable to move due to the pandemic.
- (b) Trinity road offices and expenditure which were incurred during September/October 2020 for the various refurbishments.
- (c) Youth participation grants were not being used as a result of the policy to suspend the fund.
- (d) Size of the investment portfolio does vary across the financial year, with balances being higher before precepts or money due to Central Government is paid. The Council proposed to borrow money in one or two years' time; was there potential for the Council's investment portfolio to be sold and therefore no need to borrow money. The Council has a Capital Programme and would identify the resource to fund the Capital Programme, if the Council did not have sufficient capital or revenue reserves to fund the Capital Programme it would borrow from the most cost effective source of finance. The Council does hold cash on behalf of the Government, the County Council, Town and Parish Councils and Police and Crime Commissioner.
- (e) Money would not be spent on green issues just because of the Strategy, proposals would need to go through the Capital Investment Board which was being set up. The Climate Emergency Manager was working on proposals.
- (f) The Revenue Budget Monitoring indicated a forecast under-spend of £415,000. More detailed work was to be done on the impact of the second lockdown on the Council's budgets, further detail would be provided in the Quarter 3 report. The whole cycle of completing the financial statements for 2019/20 and audit, had been delayed because of Covid-19.

The Chair thanked the Interim Chief Executive, Chief Finance Officer and Publica staff for all their work on this report.

RESOLVED that the overall progress on the Council's priorities, service delivery and financial performance for 2020/21, is updated as appropriate.

OS.37 Publica Update

The Managing Director reported to the Committee that the impact of Covid-19 and both lockdowns, had been quite a strain and pressure particularly around the work around safe and well checks. 11,000 people across Cotswold, West Oxfordshire and Forest of Dean who were clinically extremely vulnerable had been contacted and staff had been redeployed, Councillors had also supported this work. There would be a need to support the local and national measures resulting from Covid-19.

70/80% of staff were currently working from home, some officers were working on site due to specific business needs.

Work was progressing on the business plan, some items in the Plan had taken longer than expected mostly due to Covid. An online service for abandoned vehicles had recently been launched, which was an example of a different customer experience, making it easier to report these type of issues.

A review of the Publica Board was undertaken to make an assessment of how the Board can drive Publica forward. Similar themes had been highlighted in a report written by the incoming Managing Director, which was presented to the committee previously. An advertisement for a new Chair of the Board was due to be published in the near future. A new non-executive director would have particular expertise in the management of Risk and Audit. There were around 20 recommendations in the board review, and when a new Chair had been appointed work would start in order to take forward the recommendations. It would help to share the Scrutiny with the partnership councils instead of individually.

Questions from Members related to:

- (a) The Leaders of the partnership councils had indicated their support for the recommendations and would work with Publica to ensure positive outcomes.
- (b) Learning from the experience over the last 12 months, and being able to attract other customers, when Councillors feel that the service to the four partner councils is good and they let people know that.
- (c) Employees had responded positively to the home working environment, the future for Publica would be described as agile. The approach would be for employees to work in the best way possible, either at home or in the

office, when necessary to provide the service. Recruitment and retention had been ongoing through this period.

- (d) Concern was expressed that reports of fly-tipping were being reported to front of house and directed to Ubico, and opportunities were being missed for ERS teams to investigate and prosecute people.
- (e) Assurance was given that review of the Ubico Management Accounts takes place each month by the Chief Finance Officer.
- (f) There should be a mechanism in place to enable the Chairs of Audit and Scrutiny Committees to meet jointly and work together.

RESOLVED that the Cabinet be made aware that the Chairs of the partnership Council's Audit and Scrutiny Committees would informally meet, in the New Year, to allow them to gain a better understanding of what common areas might be explored more formally, as part of an improved common approach to the Audit, Overview and Scrutiny of Publica.

Record of Voting - for 9, against 0, abstention 0, absent 1.

OS.38 **Terms of Reference – Crime and Disorder Committee**

The Business Manager, Localities introduced the report and proposed recommendations in relation to the Terms of Reference, amendments to the Council's Constitution and the annual reporting to the Committee.

The Overview and Scrutiny Committee had statutory responsibilities for this function. The Crime and Disorder Committee would oversee the work of the Community Safety Partnership.

The Cabinet Member for Health and Wellbeing welcomed the proposals, and explained that it helped to raise the profile of the work of the partnership. The Community Safety Partnership currently meets every week and has done so since the beginning of Lockdown. There was always a presence at the meeting from other organisations such as the Police, Fire and Rescue. Meetings were also held regularly with Young Gloucestershire to talk about crime and antisocial behaviour, these had been effective. They speak to the Police regularly and had recently stopped two horse fairs taking place during lockdown. The Cabinet Member reiterated that it would be good to have the challenges from the Crime and Disorder Committee, in order to focus on improvements for residents of the district.

The proposed amendment to the constitution in 1.1 would be reworded to make the context clearer.

It was reiterated that the Town Councils were also having meetings with statutory organisations as there were serious issues to address.

There was an annual requirement to meet once a year, the work would be programmed into the work plan.

RESOLVED that

- (a) **the wording of 1.1 of the amendment to the constitution, be reworded to read:
'The Overview and Scrutiny Committee will act as the Council's Crime and Disorder Committee, in relation to overseeing the work of the Cotswold Community Safety Partnership (CSP) and any other issues which may arise for the Committee to consider';**
- (b) **the terms of reference for the Crime and Disorder Committee be recommended to Council for adoption.**

Record of Voting - for 9, against 0, abstention 0, absent 1.

OS.39 **Interim report of the Tetbury and Fairford Leisure Provision – Task and Finish Group**

The Chair of this group, Councillor Gary Selwyn, introduced the report, explaining that the group had spoken to a lot of people over the past few weeks, and had seen everyone who was agreeable, speaking to different people about the different aspects of their involvement. There had been an enormous time commitment on behalf of Councillors and Officers, who had a vast amount of notes. He thanked everyone for their time on this task. He highlighted that the group had learnt a lot about the process and the task and finish group and was now ready to prepare the final report. He explained he did not want to draw any conclusion on the final report.

Twenty hours of individual officer time and councillor time had been undertaken in reading, preparing and meeting, and the group would not want to duplicate any work which had been commissioned on the leisure strategy.

RESOLVED that the report be noted.

OS.40 **Quarterly Digest**

Members had received minutes from the Gloucestershire Economic Growth Joint Committee, the Gloucestershire Economic Growth Scrutiny Committee and the Gloucestershire Health and Wellbeing Board, of which some Councillors were Members of the Committees.

Comments from Members were received and officers would confirm with the County Council the relationship between the Council and the Gloucestershire Economic Growth Joint Committee and how the representation on the Committee would best serve the needs of the district.

OS.41 **Chair's Announcements**

The Chair moved this item from the beginning of the agenda to discuss the Work Plan.

He explained that the next meeting of the Committee should concentrate on the budget, the Corporate Plan and Ubico – Waste collection. It was not proposed to take any further items to this meeting.

The dates for future meetings had been recently agreed and a framework would be put together of items to be discussed at future meetings.

The Meeting commenced at 4.00pm and closed at 7.00pm.

Chair

(END)

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Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	OVERVIEW AND SCRUTINY COMMITTEE – 2 FEBRUARY 2021
Report Number	AGENDA ITEM 10
Subject	MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2021/22
Wards affected	ALL
Accountable member	Cllr Mike Every, Deputy Leader and Cabinet Member for Finance Email: Mike.Every@cotswold.gov.uk
Accountable officer	Jenny Poole, Chief Finance Officer Email: jenny.poole@cotswold.gov.uk
Summary/Purpose	The report provides an update to the Overview and Scrutiny Committee on the budget proposals for 2021/22 and the associated Medium Term Financial Strategy.
Annexes	Annex A – Draft Medium Term Financial Strategy Annex B – Detailed Revenue Budget 2021/22 Annex C1 – Budget Consultation Survey Responses Annex C2 - Other Budget Consultation Response Annex D - Capital Strategy Annex E - Investment Strategy Annex F - Treasury Management Strategy
Recommendation/s	<i>That the budget proposals 2021/22 and the Medium Term Financial Strategy be considered, and feedback provided to the Cabinet and Council.</i>
Corporate priorities	The draft budget for 2021/22 reflects the financial implications of the Council Priorities as approved in the Council Plan in September 2020.
Key Decision	NO

Exempt	NO
Consultees/ Consultation	The Medium Term Financial Strategy and draft Budget for 2021/22 has been developed in consultation with the Council's statutory officers, Publica management, Ubico management, and members of the Cabinet. Consultation has been carried out with members of the Overview and Scrutiny Committee, Audit Committee and with the District's residents, businesses and community organisations.

1. BACKGROUND

- 1.1. Cabinet approved its draft Medium Term Financial Strategy (MTFS) for the period 2021/21 to 2024/25 and the associated budget proposals for 2021/22 for consultation on 7 September 2020. The Overview and Scrutiny Committee considered the proposed MTFS and 2021/22 budget on 1 December 2020. The budget and MTFS have now been updated to reflect the following:
 - A. The government's announcement of the provisional local government settlement 2021/22;
 - B. Estimates of the income from the Business Rates Retention Scheme 2021/22;
 - C. Estimated Council Tax Base 2021/22 and the Collection Fund deficit from Council Tax collection in 2020/21; and
 - D. Provision for changes which have arisen since 7 September 2020;
- 1.2. The MTFS has been developed from the previous spreadsheet format into a new Strategic document. The new Strategy incorporates all of the changes set out at 1.1 and is attached as **Annex A**.
- 1.3. This report focuses upon changes to budget proposals since 7 September 2020.

2. MAIN POINTS

Provisional Local Government Finance Settlement 2021/22

- 2.1. On 25 November 2020, the Chancellor of the Exchequer announced the outcome of the Spending Review 2020. The Spending Review sets the Government's departmental spending limits. The Spending Review is again for one year only - 2021/22.
- 2.2. The Ministry for Housing, Communities and Local Government (MHCLG) has used the outcome from the Spending Review to set the Provisional Local Government Finance Settlement 2021/22. The Local Government Finance Settlement, announced 17 December 2020, establishes Government funding for individual councils.
- 2.3. Key announcements for district councils included:
 - 2.3.1. Funding (known as the funding baseline) increases in line with inflation (0.55%);
 - 2.3.2. Councils impacted by "negative Revenue Support Grant", which includes this Council, would continue to be protected from this funding cut;
 - 2.3.3. New Homes Bonus funding will continue for 2021/22 but the grant will be for one-year only. The 2020/21 New Homes Bonus grant remains payable for that year only, so will not continue in 2021/22. Prior to 2020/21, New Homes Bonus grant was awarded for multiple financial years, initially six years and latterly four years. A consultation paper on the future of New Homes Bonus is due to be published shortly with an indication that changes will be implemented in 2022/23;
 - 2.3.4. Rural Services Delivery Grant continues in 2021/22;
 - 2.3.5. Disabled Facilities Grant funding will continue at current levels;
 - 2.3.6. Government will compensate local authorities for the increased cost of Local Council Tax Support in 2021/22 through a Local Council Tax Support Grant. Government has

also introduced a Local Tax Income Guarantee Scheme (LTIGS). The LTIGS will fund 75% of local authorities' irrecoverable losses for Council Tax and Business Rates;

- 2.3.7. A fifth tranche of Government grant in recognition of the impact of Covid-19 on Council finances was announced and the Sales, Fees and Charges Compensation Scheme was extended to the first quarter of 2021/2;
- 2.3.8. The Government introduced a new Lower Tier Services Grant to ensure that no local authority saw an overall reduction in Core Spending Power in 2021/22. Core Spending Power includes income from Retained Business Rates, Council Tax, Lower Tier Support Grant, New Homes Bonus and Rural Services Delivery Grant;
- 2.3.9. The Government delayed changes to local government funding from the Fairer Funding Review and Business Rate Retention Scheme for a year to April 2022.
- 2.4. In September, the Council's draft budget for 2021/22 prudently included only legacy New Homes Bonus Grant (from the 2018/19 and 2019/20 allocations) as the future of New Homes Bonus was uncertain and will be reviewed by Government as part of the Fairer Funding Review. An indicative figure of £500,000 was included for Rural Services Delivery Grant and Retained Business Rate income remained in line with the current year. The impact of the Provisional Local Government Settlement on the Council's revenue budget for 2021/22 is set out below:
 - 2.4.1. New Homes Bonus increased by £173,000;
 - 2.4.2. Rural Services Delivery Grant increased by £132,000;
 - 2.4.3. Retained Business Rate income increased by £98,000 to reflect inflation;
 - 2.4.4. The new Lower Tier Services Grant increases Government funding by £691,000;
 - 2.4.5. The 2021/22 revenue budget funded by core Government funding has therefore increased by £1.094 million.

Estimated Income from Business Rates Retention Scheme 2021/2

- 2.5. A key element of funding from the Government comes from retained business rates. The MTFs assumes the Council will be compensated (through section 31 revenue grant) for any negative impact upon business rates income relating to any national announcements on discounts or reliefs to businesses (such as those previously announced in the Chancellor's Autumn Statements and Budgets).
- 2.6. Changes to the Business Rates Retention Scheme were due to come into effect from April 2021. As stated in 2.3.9, this change will now take place in April 2022. The MTFs reflects forecast income from the revised scheme using advice from Pixel Financial Management who are providing expert advice to support local authorities and national bodies such as Sparse and the Local Government Association.

The Gloucestershire Business Rates Pool

- 2.7. The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership. Details of past performance of the Business Rates Pool is included in the Medium Term Financial Strategy at **Annex A**.
- 2.8. Any windfall gain associated with the Business Rates Pool in 2020/21 and 2021/22 will be allocated to the Council Priorities Fund.

- 2.9. Each year the Council forecasts whether its collection of Business Rates will be higher than anticipated, resulting in a “surplus” on the Collection Fund, or lower than anticipated, resulting in a “deficit” on the Collection Fund.
- 2.10. Where this Council forecasts a surplus on the Collection Fund, the surplus is paid out in the following financial year to the County Council (10%), Government (50%) and the District Council (40%). Similarly, where the Council forecasts a deficit, the deficit is recovered in the same proportions in the following financial year.
- 2.11. For 2020/21, the forecast is a Collection Fund deficit of £19,043,032. Of this £17,441,911 is as a result of additional Government business rate relief awarded in 2020/21 in response to the economic impact of Covid-19. The Council will receive a Government grant of £6,976,764 in 2020/21 to reflect its 40% share of the cost of this additional relief. This grant will be recorded in the General Fund (revenue budget) rather than the Collection Fund. In order for this grant to be used to fund the Collection Fund deficit in 2021/22, a transfer from the General Fund to an earmarked reserve - the Business Rate Smoothing Reserve - will take place on 31 March 2021.
- 2.12. The proportion of the Collection Fund deficit which relates to financial years before 2020/21 is £1,240,636. This is referred to as the historical deficit. Of this historical deficit, Cotswold District Council’s share is £496,254 which will be funded in 2021/22.
- 2.13. The Collection Fund deficit which relates to the 2020/21 financial year is £360,485. This is an exceptional deficit resulting from Covid-19. This Council’s share of the exceptional 2020/21 deficit is £144,194. This deficit will be spread equally over the next three financial years 2021/22 to 2023/24 at £48,065 per annum.
- 2.14. The Government has promised a grant to fund 75% of the exceptional deficit.
- 2.15. The Council’s share of the Collection Fund deficit to be funded in 2021/22 totals £7,521,083. The Business Rates Smoothing Reserve will be used to fund £7,425,196 of this deficit.
- 2.16. Overall, the estimated income from Business Rates in 2021/22 remains the same as in the draft budget in September 2020.
- 2.17. The budget for 2021/22 includes the following key data form the business rates estimates for 2021/22:

	2021/22 £
Estimate of business rate income to the District	13,654,017
Tariff to Government	(11,485,278)
Section 31 Grants – reflecting impact of Government decisions on local government financing	2,203,207
Estimated Levy Payable to Government	(996,071)

Net Retained Business Rates 2021/22	3,375,875
Collection Fund Surplus/(Deficit) forecast to end 2019/20	(7,521,083)
Transfer from Business Rates Smoothing Reserve	7,425,196
Net Overall Income from Retained Business Rates	3,279,988

Estimated Council Tax Base 2021/22 and Collection Fund Deficit 2020/21

- 2.18. Each year the Council estimates the size of the Council Taxbase. The Taxbase is calculated as the number of dwellings in the District equivalent to “Band D” Council Tax properties. For example, a Band H property pays twice the amount of Council Tax as a Band D property. In Taxbase terms, this property is worth 2 Band D properties. The Taxbase is reduced to allow for the cost of the Local Council Tax Support Scheme and other exemptions and discounts. The Taxbase is increased for empty properties which incur a premium.
- 2.19. In September 2020, the draft 2021/22 budget assumed a Taxbase of 42,026.7. The detailed calculation of the Taxbase was carried out in October 2020. The result was a taxbase of 41,848.2. The lower Taxbase reflects an expectation of more Local Council Tax Support payable as a result of the economic conditions in 2021/22 and a slowdown in housing supply as a result of Covid-19. This has resulted in a reduction of income from Council Tax of £24,810.
- 2.20. The Localism Act 2011 introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered as excessive Council Tax, including proposed limits. The principles are subject to approval by the House of Commons. From 2013 onwards, any Council that wishes to raise its Council Tax above the limit that applies to it will have to hold a referendum.
- 2.21. For this Council, the Government is proposing a maximum council tax increase of 2% or £5 for 2021/22, whichever is the higher. The budget for 2021/22 proposes a Council Tax increase of £5. The Collection Fund is the account where Council Tax income is recorded. This income is then paid out to the “precept” authorities, i.e. Gloucestershire County Council, Gloucestershire Police and Crime Commissioner, this Council and those Town and Parish Councils which have requested a precept for the year.
- 2.22. Each year the Council forecasts whether its collection of Council Tax will be higher than anticipated, resulting in a “surplus” on the Collection Fund, or lower than anticipated, resulting in a “deficit” on the Collection Fund.
- 2.23. Where this Council forecasts a surplus on the Collection Fund, the surplus is paid out in the following financial year to the County Council, Police and Crime Commissioner and the District Council in proportion to their respective level of precept for the financial year. Similarly, where the Council forecasts a deficit, the deficit is recovered proportionately from the three major preceptors in the following financial year.

Collection Fund surplus or deficit is not passed on to the Town and Parish Councils but is shared proportionately by the three major preceptors.

- 2.24. For 2020/21, the forecast is a Collection Fund deficit of £1,284,500. Of this £1,081,739 is an exceptional deficit resulting from Covid-19. The proportion of the Collection Fund deficit which relates to financial years before 2020/21 is £202,761. This is referred to as the historical deficit. Of this historical deficit Cotswold District Council's share is £23,948 which will be funded in 2021/22. This Council's share of the exceptional 2020/21 deficit is £127,763. This deficit will be spread equally over the next three financial years 2021/22 to 2023/24 at £42,588 per annum. The Government has promised to fund 75% of the exceptional deficit - £31,941 a year. The net impact of Covid-19 upon the Council's revenue budget for each of the next three years is £10,647. The impact of the historical Collection Fund deficit and the Covid-19 net deficit in 2021/22 is £34,595.
- 2.25. As part of the Provisional Local Government Settlement, the Government announced an additional grant for Local Council Tax Support of £88,353 for 2021/22 only.
- 2.26. The draft 2021/22 budget assumed Council Tax income of £5,792,106. This was based upon an estimated Tax Base of 42,026.7, a £5 increase to Band D Council Tax, a Collection Fund deficit of £46,667 and no Government grant to compensate for the impact of Covid-19. Since September, the following changes have impacted upon Council Tax income for 2021/22:

Changes to Council Tax income 2021/22	
Draft Budget September 2020	£5,792,106
Formal Council Tax Base Calculation	(£24,810)
Collection Fund Deficit, net of Government grant,	£12,072
Additional Government Grant for cost of Local Council Tax Support	£88,353
Revised Income from Council Tax	£5,867,721
Increase in Council Tax income	£75,615

- 2.27. Since the draft budget in September 2020, income from Council Tax related funding has increased by £75,615.

Budget changes since draft Budget proposals in September 2020

- 2.28. As part of the Spending Review in November 2020, the Chancellor announced a partial pay freeze for public sector workers. The Chancellor is not able to impose a pay freeze upon local government workers as the local government pay award is subject to a negotiation process. In September 2020, the draft 2021/22 budget

assumed a pay award of 2.5%. While the outcome of the pay negotiations is still unknown, the revised MTFS reflects pay inflation of 1% for Officers and Publica staff and an associated 1% increase in councillor's allowances. This has reduced costs by £128,000 in 2021/22. The MTFS continues to assume pay inflation of 2.5% from 2022/23 onwards.

- 2.29. The Council is responsible for the collection of "sharps" from individuals in the District. Currently there is a contract between the NHS and pharmacies for the collection of sharps. The NHS is not renewing this contract and responsibility will therefore fall upon this Council to collect these sharps. There will be a change to the Council's contract with Ubico, and as a result costs are expected to increase by £12,000 each year.
- 2.30. The Council commissioned Public Sector Audit Appointments Ltd to procure its contract for external audit services. Since the procurement, the Financial Reporting Council expectations of the work carried out by external auditors has increased. Sir Tony Redmond recognised this in his recent review of local authority financial reporting and external audit. PSAA Ltd is expected to increase the Scale Fee payable to the external auditor to reflect the changed regulatory framework within which external audit is provided. Additional funding of £15,000 is being included in the 2021/22 budget to provide for additional external audit fees.
- 2.31. A review of the Publica governance arrangements has led to changes to strengthen the Publica Executive Board which requires this Council to increase its financial contribution by £5,000 per annum.
- 2.32. Support provided by Publica to the Council's statutory officers and Cabinet Members has been reviewed and additional support has been requested. The additional cost of this support is £13,000 per annum.
- 2.33. The Council's draft Treasury Management Strategy for 2021/22 is attached at **Annex F**. The level of balances available for investment and the interest receivable has been reviewed in light of the Council's revenue and capital expenditure plans. Bank of England Base Rate is now only 0.1% and this has a significant impact upon the returns available on the Council's highly liquid cash investments. Overall treasury income is expected to reduce by £189,000 in 2021/22. Further information is contained within the Council's Capital Strategy at **Annex D**, the Investment Strategy at **Annex E** and the Treasury Management Strategy at **Annex F**.
- 2.34. In September 2020, the 2021/22 draft budget assumed that the financial impact from the Covid-19 pandemic would be limited to the 2020/21 financial year. As time has progressed it's clear that this will not be the case. The Provisional Local Government Settlement acknowledged the ongoing impact of Covid-19 and additional funding of £377,000 is available under a fifth tranche of Covid-19 funding. The Council's budget for 2021/22 includes a contingency for additional costs equal to the funding from the Government. This contingency will be allocated across relevant services as the financial impact becomes clearer during the early part of 2021/22.
- 2.35. Similarly, a contingency for the impact on income from Sales, Fees and Charges in 2021/22 as a result of Covid-19 has been included at £500,000. The Government

support for Sales, Fees and Charges losses at 75% of losses over and above the first 5% of the 2020/21 budget has been included at £356,000.

- 2.36. The draft 2021/22 budget assumes savings delivered from Publica and the Council's leisure services provider, SLM, amounting to £78,000. While the Publica savings are expected to be delivered, the savings from the SLM contract of £53,000 have been deferred until 2022/23 and are expected to be delivered either as part of an extension to the SLM contract or through revised leisure and cultural services provision arrangements.
- 2.37. Savings to be generated from the Recovery Investment Strategy have been realigned to reflect an anticipated delivery timescale. £276,000 of the 2021/22 savings target has been deferred to 2022/23.
- 2.38. Additional in-year savings of £10,000 have also been found in supplies and services budgets
- 2.39. Changes to the draft 2021/22 revenue budget, are set out in the table below:

2021/22 Revenue Budget	Income Change £000	Expenditure Change £000	Total £000
Pay Inflation		(128)	(128)
Additional in-year savings in supplies and services budgets		(10)	(10)
Collection of sharps – increase to Ubico contract		12	12
Council Taxbase lower growth	25		25
Collection Fund Deficit – Historical Council Tax	24		24
Collection Fund Deficit – 2020/21 Extraordinary deficit – 1/3 of total deficit	43		43
Council Tax Deficit 75% Government Funding	(32)		(32)
Government grant for additional costs of Local Council Tax Support	(88)		(88)

Remove Sep 20 Provision for Collection Fund Deficit (Council Tax)	(47)		(47)
Provision for external audit fee increase		15	15
Publica changes to the Board of Directors		5	5
Publica support for statutory officers and Cabinet Members		13	13
Reduced income from treasury investments	189		189
Contingency for pressure from Covid-19	500	377	877
Covid-19 Grant from Government – tranche 5	(377)		(377)
Covid-19 Grant from Government – Sales, Fees and Charges	(356)		(356)
Savings from SLM contract	53		53
Savings from the Recovery Investment Strategy	276		276
Increases to Government Core Funding		(1,094)	(1,094)
Changes to retained business rate income	(178)		(178)
Changes to 2021/22 Budget since Sept 20	32	(810)	(778)

Revenue Budget proposals 2021/22 – Fees and Charges

- 2.40. The Council plans to continue with its budget resolution from February 2020 to increase garden waste service fees to make the service cost neutral. For 2021/22, this means implementing the planned increase to £40 for each bin licence. The revenue benefit is expected to be £155,000 as it includes the £5 increase deferred from 2020/21 due to the suspension of the service in the first lockdown and the planned increase of £5 in 2021/22.
- 2.41. The Council intends to introduce charges for the delivery of waste and recycling containers which is expected to deliver additional income of £60,000. The charges will be in line with the Council's commitment not to subsidise the cost of services. The budget assumes a charge of £5 per container delivery.

- 2.42. In previous years, the cost of the bulky waste collection service has exceeded the income generated from service charges. In order to eliminate this subsidy, the charge for the service will increase from £14 to £25 for the collection of up to three items. The charge for additional items will remain at £5 per item, with an upper limit of six items. This additional income also allows the Council to support those residents on the lowest income - a discount of 50% will apply to residents in receipt of Housing Benefit or Local Council Tax Support.
- 2.43. The Council intends to continue with the provision of free after 3PM car parking in the following car parks: Cirencester - Brewery and Forum car parks, Moreton-in-Marsh - Old Market Way, Stow-on-the-Wold - Mangersbury Road, Tetbury - Church Street and West Street car parks. It is intended that free after 3PM car parking will be withdrawn from the Rissington Road car park in Bourton-on-the- Water. This is subject to confirmation of the Cabinet decision of 7 December 2020 following public consultation.

Impact upon General Fund Balance

- 2.44. The draft 2021/22 budget produced a budget deficit £772,000. Since September 2020, changes to the 2021/22 budget and Government funding, set out in the Table at 2.39 have improved the budget deficit. The Council now has a balanced budget, with a contribution to the General Fund Balance of £6,257.
- 2.45. Full details of the impact of the Council's budget proposals upon General Fund Balance, revenue and capital reserves are set out in **Annex A**.

Capital Programme

- 2.46. Details of the proposed Capital Programme for the period 2021/22 to 2024/25 are set out in the Council's Capital, Investment and Treasury Management Strategies at **Annex D, E and F**. There have been no changes proposed since Cabinet considered the revised Capital Programme in September 2020.

Review of Earmarked Reserves

- 2.47. The proposed use of the Council's Earmarked Reserves was set out in the Cabinet report in September 2020. The Council holds a Council Priorities Fund revenue reserve. This funding is available for investment in initiatives which support delivery against the Council's priorities. Details of commitments against the Council Priorities Fund is included in the Medium Term Financial Strategy at **Annex A**.
- 2.48. The Council Priorities Fund is now largely allocated and new initiatives will require Members to review existing commitments and to reallocate funds accordingly.

Consultation

- 2.49. Consultation on the draft budget proposals ran from 4 November to 8 December 2020. The Council promoted its consultation by advertising on the website and using signage across the District, inviting Town and Parish Councils to attend a webinar, using a leaflet drop targeted at new housing estates and at a wide variety of locations across the District and using "CDC Live".

- 2.50. As the leaflet drop took place later in the consultation period than planned, the online survey period was extended to 11 December 2020 to ensure that as many residents as possible had the opportunity to have their views considered.
- 2.51. The Council has received 339 responses to the consultation, an increase of 51 responses from the consultation last year. Feedback from the online survey is included at **Annex C1**. In addition to the online survey, the Council has also received various other correspondence, included at **Annex C2**..
- 2.52. Cabinet considered the budget consultation responses on 4 January 2021.

3. FINANCIAL IMPLICATIONS

- 3.1. The Council's Medium Term Financial Strategy has been updated to reflect the proposals set out in this report and is attached at **Annex A**.
- 3.2. A summary of the impact of the budget proposals for 2021/22 is set out below:

Summary of changes to the Council's Net Budget Requirement	£
Original Net Budget Requirement 2020/21 (as approved by Council in February 2020)	12,260,273
Inflationary Pressure – expenditure budgets	276,250
Unavoidable budget pressures, investment in Priorities expenditure and accounting changes (net decrease)	(259,558)
Unavoidable budget pressures – income	410,300
Savings	(274,000)
Impact of one-off Covid-19 pressure on expenditure	377,000
Impact of one-off Covid-19 pressure on income	500,000
Covid-19 Government Funding	(733,250)

Net Budget Requirement 2021/22	12,557,015
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3.3. The Council's net budget requirement will be funded as follows:

	£	£
Net Budget Requirement 2021/22		12,557,015
Net Business Rate Income (see table at 2.19)	3,279,988	
Council Tax payers @ £138.93 Band D	5,813,963	
Collection Fund Deficit	(66,536)	
Government Grants - Council Tax impact of Covid-19	120,294	
New Homes Bonus	2,092,561	
Rural Services Delivery Grant	632,183	
Lower Tier Services Grant	690,819	
Total Funding		12,563,272
Budget Surplus		6,257

3.4. The budget proposals assume a budget surplus of £6,257. This surplus will be added to the General Fund Balance.

3.5. The detailed revenue estimates for the Council are attached at **Annex B**.

3.6. Section 25 of the Local Government Act 2003 places a duty on the Chief Financial Officer to make a report to the Council on the robustness of the budget estimates and the adequacy of the Council reserves. The Council must have regard to this report when making its decisions about budgets and council tax for the forthcoming year.

The Finance Officer report will be included in the Cabinet and Council reports in February 2021.

4. LEGAL IMPLICATIONS

- 4.1. None directly as a result of this report.

5. RISK ASSESSMENT

- 5.1. Details of national and local risk which may impact upon the financial sustainability of the Council are set out within the Medium Term Financial Strategy at **Annex A**.

6. ALTERNATIVE OPTIONS

- 6.1. The draft budget for 2021/22 is subject to consultation until February 2021. During the consultation period, the Cabinet encourages feedback on its proposals for consideration. The Audit Committee will consider the Capital, Investment and Treasury Management Strategies on 28 January 2021.

- 6.2. At Council on 20th January 2021, a motion was proposed by Councillor Tony Berry and Seconded by Councillor Julia Judd as follows:

'The new mapping system introduced to identify instances of fly-tipping is highly successful and much appreciated. On checking recently that various events had been reported I was dismayed to see that there were 6 current instances in my Ward and so I spoke with ERS about what we might do to reduce this amount, particularly in those spots which regularly received unwanted deposits. To my amazement I was told we don't have any cameras which we can put in these locations to catch/deter those dumping their (or someone else's) rubbish.

Catching and finding these people that desecrate our countryside must be the best deterrent and usually gains good publicity. Although considerable efforts are being made to try to do so, catching people in the act must surely be an option our officers have to help them.

From some research I discovered that motion activated cameras of good quality can be purchased for under £500. Whilst these might not be the right sort of camera, we can surely find out from Councils which are best suited and have good success rates. Even if they cost £1,000 each, it must be a worthwhile investment.

Equally there must be other 'good practices' in the industry that we could investigate (e.g. paying for skips in strategic locations).

We would therefore recommend to this Council that it puts aside up to £50,000 to:

1) Investigate the purchase and use of cameras to support the efforts to catch and fine fly-tippers.

2) Investigate other possible activities that would help reduce or remove this scourge from our district, and report back to this Council if further funds are required.'

- 6.3. The motion was referred to the Cabinet to consider as part of the budget proposals.

- 6.4.** On 8 February 2021, Cabinet will consider feedback from the Overview and Scrutiny Committee and the Audit Committee and will determine the final budget proposals to be presented to Council for consideration.

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Cotswold District Council

Medium Term Financial Strategy

2021/22 to 2024/25

Introduction

The Council approved a new Corporate Plan for the period 2020 to 2024 [Corporate Plan](#) in September 2020. The Plan sets out the Council's aims, priorities and principles.

"Aim, priorities and principles

Cotswold District is at the heart of the larger area of the Cotswolds – an area that's known around the world for its natural beauty and heritage. Around 84,000 people call our district home, and they deserve the services and support that a progressive council can provide.

This corporate strategy recognises and embraces the challenges facing the district, and states our aims and ambitions. It is underpinned by a set of action plans that describe in detail how we plan to deliver these ambitions.

Our aims is to recreate a council that's proactive and responsive to the needs of our residents and businesses in a fast-changing environment, and to build for the future while respecting our heritage.

We will do this by:

- delivering our services to the highest standards
- responding to the challenges presented by the climate crisis
- providing good quality social rented homes
- presenting a local plan that's green to the core
- helping residents and communities access the support they need for good health and wellbeing
- supporting businesses to grow in a green, sustainable manner, and to provide high value jobs

Our principles:

Everything we do is built on the following principles:

- rebuilding trust and confidence in the council by promoting a culture of openness and transparency
- providing value for money for our residents and businesses by using our resources wisely and investing in the district's fabric and future
- listening to the needs of our community, and acting on what we hear."

The Council has an ambitious agenda and this Medium Term Financial Strategy sets out the financial parameters in which to deliver the Council's Corporate Plan. Investment in Council Priorities will be through:

- Capital programme investment, for example, delivery of new social housing, installation of facilities for charging electric vehicle, partnership working to deliver green energy generation;

- One-off revenue funding from Council reserves for projects, for example, reviewing the Local Plan to make it green to the core, temporary extra resource to develop a green travel plan;
- A permanent increase to the Council's revenue budget to provide additional resources in priority service areas, for example, funding a post to combat fly-tipping.

Annex A sets out the details of the Council's plans for revenue income and expenditure, capital income and expenditure and earmarked reserve funded expenditure.

Service Provision

The Council has a small Management Team of directly employed officers who support the Council and who work with service providers to deliver the Council's priorities. The Council uses a number of local authority owned companies to deliver the majority of its services. Publica Group (Support) Ltd provides commissioning advice and support to the Council as well as directly providing many services. Ubico Ltd provides waste collection, street cleansing and other environmental services. SLM provides the Council's leisure and cultural services across the District.

The 2020/21 contract costs for these significant partners are:

Publica £8.71 million

Ubico £6.98 million

SLM provides a contribution to the Council of around £100,000 per annum. However, during 2020/21, SLM has been significantly impacted by the Covid-19 pandemic as fewer customers have been able to attend the leisure centres and the Corinium Museum. In order to ensure that these facilities, which are vital to the physical and mental health and wellbeing of residents, are able to re-open the Council has waived the income from this contract and has also provided additional financial support to the contractor.

Financial Context

The Council's current service provision costs £24.5 million each year and is funded by:

Fees, charges and grants for specific services	£12.0 million
Retained Business Rates	£3.2 million
Rural Services Delivery Grant from the Government	£0.6 million
New Homes Bonus Grant from the Government	£3.2 million
Council tax	£5.5 million

At the end of the last financial year, on 31 March 2020, the Council held capital resources of £10.02 million, revenue reserves of £7.81 million and a General Fund balance of £4.48 million.

For 2020/21, the Council was planning to increase its General reserve by £0.21 million. Due to the impact of Covid-19 on the Council's finances, Council approved a revised budget in September 2020. The Council now expects to use £0.22 million of the General Fund and the net impact of Covid-19 is expected to cost the Council £0.44 million.

In 1997, the Council transferred its social housing to a registered provider. Following the transfer, the Council was debt free and held significant levels of capital receipts and revenue reserves. Since 1997, the capital and revenue reserves have funded projects and investments have contributed towards the delivery of the Council's priorities. The Council is now facing the prospect of borrowing to fund capital investment for the first time since the housing stock transfer.

For a full picture of the Council's financial management, this Financial Strategy should be read together with the Council's Capital, Investment and Treasury Management Strategies. Further information on how the Council plans to deliver its Priorities is contained within the following strategies:

- [Green Economic Growth Strategy](#) approved on 7 December 2020
- [Climate Emergency Strategy](#) approved on 23 September 2020
- [Recovery Investment Strategy](#) approved on 23 September 2020

This Medium Term Financial Strategy sets out the financial envelope within which the Council will deliver its Priorities.

National and Local Financial Risks

Fair Funding Review

The Government decides how to spend income generated from taxation through a Spending Review. The Spending Review announced in 2020 was limited to the 2021/22 financial year. The Spending Review determines the overall funding available for each Government Department. The Ministry for Housing, Communities and Local Government (MHCLG) is responsible for the allocation of its share of funding from the Spending Review to individual councils.

For a number of years MHCLG has been conducting a "Fairer Funding Review" to change the method of allocating funding to individual councils. The outcome of the Review poses a significant risk to the level of funding this Council receives from the Government. The outcome of the Fairer Funding Review was to be implemented in the 2021/22 financial year. For various reasons, including the negotiation of the UK's exit from the European Union and responding to the Covid-19 pandemic, MHCLG has delayed consultation upon and implementation of the Fairer Funding Review until 2022/23.

The Council has been planning for this change of funding for several years and the MTFs includes the possible impact of reduced Government funding and includes savings targets to address the reduced funding.

Business Rates Retention

The Council administers Business Rates (National Non Domestic Rates) of around £44.73 million per annum on behalf of the Government. The Council retains some Business Rates income as part of its core Government Funding. For the 2020/21 financial year, this amounts to £3.15 million.

In 2013, the Government (MHCLG) implemented the Business Rates Retention Scheme for local authorities. Each year MHCLG sets the "baseline" funding for local authorities from business rate retention. For this Council, the baseline funding for 2020/21 is £1.88 million. As part of the Business Rate Retention Scheme, the Council shares business rate income received above the baseline with Government on a 50/50 basis. The Cotswold District has seen a significant increase in income from

business rates since 2013 as the economy has grown. The growth retained by this Council now represents £1.27 million of additional Government funding over the £1.88 million baseline.

The Fairer Funding Review will reset this Council's level of Business Rate Retention. It is also likely that the share of the gain from economic growth will change. For both of these reasons, the Council is facing a significant risk that its core Government funding will fall sharply - a financial 'cliff-edge'.

New Homes Bonus

Another part of the Council's core government funding comes from New Homes Bonus. This grant is a reward to Councils for delivery against the Government's national priority of increasing the number of homes. The value of the grant depends upon the increase in the Council's "Council Taxbase".

Originally, New Homes Bonus grant was paid for a period of six years. In later years, the period that the grant was payable for was reduced to four years. The grant for 2020/21 is payable for one year only. Funding from the New Homes Bonus Scheme is being reviewed as part of the MHCLG Fairer Funding Review.

The value of New Homes Bonus to the Council in 2020/21 is £3.17 million. MHCLG has announced that a further New Homes Bonus will be paid in 2021/22 - again this will be for one year only. The MTFS reflects that the Bonus will reduce, so that only the 2021/22 grant and "legacy" grant payments will be due in 2021/22 and 2022/23.

Given that the Government still wishes to increase the supply of new homes nationally, it is likely that there will be an alternative funding stream from the Government related to the local provision of housing.

The Council's plan for addressing reduced Government Funding is set out in the Recovery Investment Strategy. This Strategy assumes there will be some replacement funding from Government for New Homes Bonus. Should this not be provided, the Council will need to increase income or find alternative savings.

Cost of service delivery in a rural area

The Council covers a large geographical area, some 450 square miles, with many small towns and villages. This low population density means that the cost of delivery of Council services at a local level is high. For example, the Council collects recycling and waste from every property in the District, meaning that our vehicles need to travel many miles per household. This means that the Council requires more vehicles and operatives to deliver the service per household than in urban areas where households are collected together.

The Government has recognised this cost driver and has provided Rural Services Delivery Grant funding since 2016. For 2020/21 the grant is worth £602,000 on top of funding from Retained Business Rates. This grant remains available in 2021/22 but the implementation of the Fairer Funding Review in 2022/23 puts this funding at risk.

Covid-19 impact upon income and costs

The Council set its budget for 2020/21 on 26th February 2020, just before the Covid-19 lockdown. Demand fell for the Council's income generating services from early in March 2020, and this decline accelerated following the announcement of the first lockdown on 23 March 2020. The Council's service related income has continued to be impacted throughout the year.

In addition to reduced service income, the Council has also faced pressure on its expenditure budgets. In particular, providing emergency accommodation for individuals and families facing homelessness; collecting additional waste and recyclable materials presented by households and ensuring that the Council's leisure contractor was able to fulfil its contractual obligations.

The Council has been regularly reporting the impact of Covid-19 on its finances to the Government. In response the Government has provided grant funding in recognition of expenditure pressures and compensation for income losses.

The financial impact of Covid-19 has been felt across the Council's services and therefore across many of the 2020/21 service budgets. In September 2020, Council approved a revised budget for 2020/21 which:

- revised income budgets to reflect forecast service income for 2020/21;
- revised expenditure budgets to reflect additional cost pressure in 2020/21;
- incorporated the initial three tranches of funding received from Government for Covid-19 and the promised support for income losses; and
- set out revised funding for the 2020/21 budget.

The basis for the proposed budget for 2021/22 is the original 2020/21 budget. However, it does reflect the ongoing impact of Covid-19 on income and expenditure and further funding announced by the Government in the Provisional Local Government Finance Settlement.

Recession

The national economy is expected to enter a period of recession. This will impact the Council through increasing demand for services such as: housing benefit and local council tax support; homelessness and housing; and support for local businesses and the community.

Financially, income from the Council's cash investments will fall significantly due to interest rate reductions as interest on cash deposits will fall from around 1% to 0.4% per annum. However, the Council will be able to reduce its borrowing costs either by using some of its cash balances to provide cash flow for some of its planned capital expenditure (rather than raising finance from external borrowing) or enter into loans at historically low interest rates. Further information on the Council investments and borrowing plans are set out in the Capital, Investment and Treasury Management Strategies. [\(LINK\)](#)

Development of the Proposed Budget 2021/22 and Medium Term Financial Strategy

The basis of the 2021/22 budget is the original budget for 2020/21, excluding the changes required to reflect the impact of Covid-19 in 2020/21. The budget for 2021/22 and the MTFS reflects the following:

1. The impact of inflation;
2. Investment in Council Priorities;
3. Provision for the impact of Covid-19 and support from Government;
4. Unavoidable budget pressures;
5. Planned savings;

6. Changes to income from fees and charges and Government grants for specific services;
7. Changes to Government funding;
8. Estimates of the council tax base and the Council's Council Tax proposal;
9. Estimates of income from Business Rates Retention;
10. Changes to the Capital Programme; and
11. Use of revenue reserves;

The Council engages with its partners in Publica and Ubico to develop its budget proposals. A detailed analysis of all of the changes to the budget over the life of the MTFS is included in **Annex A**. Details of key items in the 2021/22 budget and plans for 2022/23 to 2024/25 are set out below:

1 Impact of inflation

The Council has provided for inflation on salaries for Council and Publica employees and allowances for Members in 2021/22 based upon an assumed local government pay award of 1%. The Government has announced a public sector pay freeze but with an increase of £250 for employees earning less than the national median wage of £24,000 per annum. The final value of the local government pay award will depend upon the outcome of national local government pay negotiations.

Consumer Price Inflation (CPI) is expected to remain at, or just above, ½% during most of the winter, before rising quite sharply towards the 2% national target. As pay inflation is linked to the rate of inflation in the economy, the MTFS assumes pay inflation will increase to 2.5% from 2022/23 and continue at that level for the remainder of the life of the MTFS.

Inflation in the Ubico environmental services contract reflects employee pay award inflation, and additional costs of repairs and maintenance to the vehicle fleet as the fleet ages.

2 Investment in Council Priorities

Over the life of the MTFS, the Council is planning to invest in the Council Priorities as follows:

a. £750,000 towards addressing climate change

This funding will kickstart our action plan to make the Cotswold District "green to the core". Actions include:

- 1 encouraging residents to switch to electric vehicles by delivering charging points across the district;
- 2 reviewing our use of offices and buildings as large numbers of staff continue working from home;
- 3 identifying opportunities to use our assets to support our climate strategy;
- 4 minimising costs so we can use more of our funding in support of climate action.

b. £740,000 over the next three years towards reviewing our local plan. The outcome is to ensure new developments in the District suit the needs of our communities and protect our landscapes and heritage.

c. £100,000 over two years to plan and develop better, greener transport options in the District, including cycle and walking routes and innovative bus options.

d. £35,000 each year to continue our fight against fly-tipping

- e. **£25,000** towards a review of open space on new developments, working with housebuilders and residents on new public open space.
- f. **£23,000** towards helping individuals with complex needs, who are facing homelessness to access secure accommodation and support.
- g. **£350,000** over three years to fund our Recovery Investment Strategy which aims to make the money we have go further and maximise our support for the District in its recovery from Covid-19. We will invest in:
 - 1 specialist skills and expert advice on how we can invest in the economic recovery of the district;
 - 2 giving our workforce access to training to build skills and knowledge fit for the new working environment created by Covid-19;
 - 3 enabling the production of new truly green energy supplies in the district; and
 - 4 delivering additional social housing.

3 Provision for the impact of Covid-19 and support from Government

Covid-19 will continue to impact Council income and expenditure until the vaccine rollout progresses sufficiently so that the Government lifts national and local restrictions. The Council's budget for 2021/22 assumes that the impact of Covid-19 will continue until 30 June 2021. The Provisional Local Government Settlement for 2021/22 recognises the ongoing impact of Covid-19 on the Council's finances and the Government has proposed additional funding for associated cost pressures of £377,000. The Government is also extending financial support for loss of income from fees and charges. Provision for a loss of £500,000 from fees and charges is included in the budget for 2021/22. Of these losses, the budget therefore assumes that the Government will fund £356,000.

The impact of Covid-19 on the collection of Council Tax and Business Rates in 2020/21 will be shown in the Collection Fund account at the end of the 2020/21 financial year. Losses on the Collection Fund are usually "repaid" from the Council's revenue account in full in the following financial year. The Government has provided for losses in 2020/21 to be spread over the following three financial years – 2021/22 to 2023/24. This change of practice is reflected in this Strategy.

4 Unavoidable budget pressures

In addition to inflationary pressure, the Council monitors external factors which impact upon its budget. Unavoidable funding pressure arises from the following:

- a. Complying with financial reporting requirements. For example, providing for the payment of interest and repayment of borrowing related to the Capital Programme (Minimum Revenue Provision);
- b. Changing market conditions. For example, the processing cost of recycling materials, the impact of lower interest rates on Council investment returns and reducing demand for Council services which lowers income from fees and charges;
- c. Decisions taken by other bodies which impact upon this Council. For example, the County Council decision about the disposal of "sharps" collected from pharmacies, and changes to Governance arrangements in third parties which increase contract sums; and
- d. Changes to the Government legislation or regulation. For example, changes to external audit regulations are increasing the work carried out by the Council's external auditors, who are therefore raising the external audit fee.

The most significant unavoidable budget pressures include:

Ubico has forecast that the contract sum for 2021/22 requires growth of £460,000 including an increased leasing cost of £400,000 for the new vehicle fleet. The Council will receive the leasing payment of £400,000 and use £297,000 of this funding to pay for the capital financing costs associated with investment in the vehicle fleet during 2020/21 and £75,000 will reflect interest income. The remaining £46,000 will increase the Council's capital receipts.

Other environmental services contracts and income from the disposal of recycling material require additional funding of £175,000 due to a combination of higher levels of recycling material being presented and lower market values particularly for sale of cardboard.

The 2020/21 capital programme assumes that the investment in the vehicle fleet of £2.22 million will be funded from borrowing. The revenue impact of providing for the repayment of the debt, £297,000, and external interest is £19,000. This will be fully funded from the additional £400,000 lease payment due from Ubico.

Planning income was lower than budget during 2019/20. Assuming that demand for the planning service recovers to the 2019/20 actual level, the budget requires realigning to £800,000, a reduction of £170,000.

An additional £35,000 has been included to fund the pay scale for the new Chief Executive post over the cost of the Head of Paid Service post which was approved at Council on 23 September 2020.

The Council has to pay business rates and utilities bills on its own land and buildings. A review of these budgets has identified budget increases of £18,000.

The Council will be carrying out a property review of the Cotswold Club. While this review is carried out there will be a void period costing £3,000 for 2021/22. Other income budgets require realignment by £9,000 to reflect actual income due to the Council.

These cost pressures can be partially funded by savings in various supplies and services budgets which amount to £167,000.

The provision of additional car park capacity in Cirencester at the Whiteway Car Park is expected to increase income by £142,000.

The procurement of a new computer system for council tax, business rates and housing benefit administration has provided software licence savings of £50,000.

Details of all unavoidable costs over the life of the MTFs are set out in **Annex A2**.

5 Planned Savings

The Council has included the following savings targets over the life of the Financial Strategy:

	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000
Savings	388	2,559	1,288	850

These savings will be delivered through:

1. changes to Council policy, which increases income or reduces the cost of service provision;
2. through return on investments made to support delivery of the Council Priorities;
3. efficiencies delivered through the Council's service delivery partners;
4. new Government funding streams; or

5. changes to the Council's asset portfolio.

A tactical plan for delivery of these savings is included in the Recovery Investment Strategy.

The Council will seek to maximise the use of the land and property assets it owns to support delivery of the Council priorities. The Council will also seek to work in partnership with other public sector service providers to make best use of the public estate within the District and the County.

The Council will consider business cases for the acquisition, disposal or enhancement of assets including the contribution towards Council Priorities, financial implications, risk, legal and governance matters. The Council will ensure that appropriate due diligence is carried out in line with the requirements set out in the Council's Capital Strategy.

6 Fees, charges and Government grants for specific services

The Council charges for many of the services it provides including car parking, planning advice and garden waste collection. The Government sets some fees, such as planning application fees. Where the Council has the discretion to set its own fees, the Council will charge for these services to ensure they are not subsidised by other taxpayers. The Council may decide to subsidise some fees and charges. Reasons for this will be clearly set out and will be subject to decision by councillors.

The budget proposals for 2021/22 include the following change to fees and charges:

The Council plans to continue with its budget resolution from February 2020 to increase garden waste service fees to make the service cost neutral over three years. For 2021/22, this means implementing the planned increase to £40 for each bin licence. The revenue benefit is expected to be £155,000. It reflects the deferral of the previous Council decision to increase the fee to £35 in 2020/21 due to the suspension of the service during the first lockdown and the planned £5 increase in 2021/22.

The Council also intends to introduce charges for the delivery of waste and recycling containers which is expected to deliver additional income of £60,000.

In previous years, the cost of the bulky waste collection service has exceeded the income from service charges. In order to eliminate this subsidy, the charge for the service will increase from £14 to £25 for the collection of up to three items. The charge for additional items will remain at £5 per item, with an upper limit of six items. To support those residents on the lowest income, a discount of 50% will apply to residents in receipt of housing benefit or local council tax support.

7 The Provisional Local Government Settlement 2021/22

The Government announced the Provisional Local Government Settlement 2021/22 in December 2020. The settlement is for 2021/22 only. There were, however, a number of other announcements affecting 2021/22 and the two subsequent financial years. Government funding for 2021/22 is summarised below:

2021/22 only grants

Covid-19	£377,000
Lower Tier Services Grant	£690,819
Rural Services Delivery Grant	£632,183
New Homes Bonus	£2,092,561

The Council no longer receives any Revenue Support Grant. Instead, core government funding is from income retained from Business Rates collection. For 2021/22, the Government has set the Council's baseline funding from Retained Business Rates at £1,878,315. This baseline funding is increased by local growth in business rates above the baseline. This growth is shared 50:50 with the Government. Further details are set out under point 9 – Retained Business Rates.

The Government announced an extension to the Sales, Fees and Charges grant which compensates local authorities for the impact of Covid-19 on income. The value of this grant will depend upon the impact upon sales, fees and charges income to the Council that will be reported to Government during 2021/22. The Council must fund the first 5% of losses and the Government then contributes 75% of losses above that amount.

The Government has also announced that it will fund 75% of the losses incurred in 2020/21 on the collection of Council Tax and Business Rates. This grant funding will be supported for 2021/22 and the following two financial years, in line with the provision to spread Collection Fund deficits over three financial years. The value of this grant is estimated to be £32,000 for Council Tax for each of the next three financial years and £36,000 for Business Rates for each of the next three financial years.

The Council is facing a significant risk to the level of Government funding from 2022/23. Further details are set out in the National and Local Risk section of this Strategy.

8 Council Tax Base and Council Tax Proposal

The Council's current council tax for a Band D property is £133.93 for the full year. Each year the Government sets the maximum increase that a council may apply without requiring a local referendum. For district councils in 2021/22, the maximum increase is 2% or £5, whichever is the higher.

In order to deliver against its Priorities, the Council has recognised the need to generate income to fund investment in Council services. The Council therefore proposes implementing the maximum increases to council tax over the life of the MTFS.

For residents on low income, the Council has a Local Council Tax Support Scheme available to provide financial support with council tax payments. The Scheme was revised for 2020/21 to make it more generous.

Slower growth in housing supply and an assumed increase in Local Council Tax Support payments has affected the Council Tax Base for 2021/22. The Tax Base has grown by the equivalent of just 30.56 band D properties.

The outcome from a £5 Council Tax increase (for Band D properties) and growth in the Tax Base is an increase in overall income from Council Tax in 2021/22 of £214,000.

9 Retained Business Rates

A key element of funding from the Government is from retained business rates. The MTFS assumes the Council will be compensated (through section 31 grant) for any negative impact upon business rates which relate to any nationally announced discounts or reliefs to businesses (such as those previously announced in the Chancellor's Autumn Statements and Budgets).

The retained business rates scheme was due to be changed from April 2021. This has now been deferred until April 22. The MTFS has been updated to reflect forecast income from the revised scheme using advice from Pixel Financial Management who are providing expert advice to support local authorities and national bodies such as Sparse and the Local Government Association.

The Gloucestershire Business Rates Pool

The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership. Since 2013/14 the Pool has delivered the following surpluses/(losses):

	Pool Surplus/(Loss)	Cotswold DC Share
	£	Surplus/(Loss)
		£
2013/14	774,862	25,156
2014/15	(2,336,565)	(228,988)
2015/16	877,948	114,854
2016/17	2,138,143	275,600
2017/18	3,992,000	482,179
2018/19	14,270,000	497,975
2019/20	4,547,000	539,000

For 2018/19, the Council was part of the Gloucestershire 100% business rates retention pool pilot, which included all of the Gloucestershire local authorities and aimed to maximise the retention of business in Gloucestershire. In return for the gain of retaining all of the growth above baseline funding within Gloucestershire, some of the central government grants such as Rural Services Delivery Grant and Revenue Support Grant were directly funded from the Business Rates Retention Scheme.

The results of the 100% pool pilot were very successful with county-wide gain being in excess of £14 million. Of this gain, 20% was set aside for strategic economic development, 50% was allocated to the County Council to reflect the higher risk to the County Council of being part of the pool and the remaining 30% was shared across the District Councils. The District Council gain was allocated according to growth at a District Level and an equal share of the pool proportion gain so that each District gained from being part of the pool.

For 2019/20 the pool was no longer a 100% pilot, and reverted to the original 50/50 pool. The windfall gain for this Council was allocated to the Council Priorities Fund for investment in priority projects.

The Gloucestershire Business Rates Pool continues in operation in 2020/21 and 2021/22. The MTFS assumes that any windfall gain associated with the Business Rates Pool will be allocated to the Council Priorities Fund.

Each year the Council forecasts whether its collection of Business Rates will be higher than anticipated, resulting in a “surplus” on the Collection Fund, or lower than anticipated, resulting in a “deficit” on the Collection Fund.

Where this Council forecasts a surplus on the Collection Fund, the surplus is paid out in the following financial year to the County Council (10%), Government (50%) and the District Council (40%). Similarly, where the Council forecasts a deficit, the deficit is recovered in the same proportions in the following financial year.

For 2020/21, the forecast is a Collection Fund deficit of £19,043,032. Of this £17,441,911 is as a result of additional Government business rate relief awarded in 2020/21 in response to the economic impact of Covid-19. The Council will receive a Government grant of £6,976,764 in 2020/21 to reflect its 40% share of the cost of this additional relief. This grant will be recorded in the General Fund (revenue budget) rather than the Collection Fund. In order for this grant to be used to fund the Collection Fund deficit in 2021/22, a transfer from the General Fund to an earmarked reserve - the Business Rate Smoothing Reserve - will take place on 31 March 2021.

The proportion of the Collection Fund deficit which relates to financial years before 2020/21 is £1,240,636. This is referred to as the historical deficit. Of this historical deficit, Cotswold District Council’s share is £496,254 which will be funded in 2021/22.

The Collection Fund deficit which relates to the 2020/21 financial year is £360,485. This is an exceptional deficit resulting from Covid-19. This Council’s share of the exceptional 2020/21 deficit is £144,194. This deficit will be spread equally over the next three financial years 2021/22 to 2023/24 at £48,065 per annum.

The Government has promised a grant to fund 75% of the exceptional deficit.

The Council’s share of the Collection Fund deficit to be funded in 2021/22 totals £7,521,083. The Business Rates Smoothing Reserve will be used to fund £7,425,196 of this deficit.

The budget for 2021/22 includes the following key data from the business rates estimate for 2021/22:

	2021/22 £
Estimate of business rate income to the District (including £66,217 from solar farms)	13,654,017
Tariff to government	(11,485,278)
Section 31 Grants – reflecting impact of central government decisions on local government financing	2,203,207
Estimated Levy Payable to Government	(996,071)
Net Retained Business Rates 2021/22	3,375,875
Collection Fund Surplus/(Deficit) forecast to end 2019/20	(7,521,083)
Transfer from Business Rates Smoothing Reserve	7,425,196
Net Overall Income from Retained Business Rates	3,279,988

10 Capital Programme, Investment and Borrowing

The Council has set out its plans for investment in Council Priorities in various strategies including: this Medium Term Financial Strategy, the Climate Emergency Strategy and the Green Economic Growth Strategy. This investment is for service provision rather than investment to generate income to the Council. As such, the Council should be able to access borrowing from the Public Works Loans Board. The Council acknowledges that funding significant capital investment from its own internal resources is not possible and that external borrowing will be necessary. The Council is required to provide for the eventual repayment of debt from revenue. The Council's Recovery Investment Strategy sets out the return on investment which new investments will be required to meet to fund both the revenue cost of the investment and to provide additional income to the Council.

The Council plans to invest in the following capital projects over the life of the MTFS:

Capital Projects	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Disabled Facilities Grants	650	650	650	650
Other housing investment	50	50	50	50
ICT	350	200	200	200
Planning Document electronic storage	200	0	0	0
Climate Change /Electric Vehicle Charging Points	150	150	150	150
Environmental Services vehicles	35	270	977	32
Household Waste and Recycling containers	55	55	55	55
Community Capital Projects	50	50	50	50
Provision for investment in leisure facilities	1,580	0	0	0
Provision for Cirencester multi-storey car park	0	6,379	6,379	0
Recovery Investment Strategy Capital Provision	15,200	20,000	19,000	0
Total	18,320	27,804	27,511	1,187

Planned funding for the Capital Programme is set out below:

Funding	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
External sources	650	650	650	650
Capital receipts	1,020	2,579	3,014	287
Revenue Resources	250	955	250	250
Borrowing	16,400	23,620	23,597	0
Total Funding	18,320	27,804	27,511	1,187

Further information is contained within the Council's Capital, Investment and Treasury Management Strategies.

11 Earmarked Reserves

Earmarked reserves are amounts set aside for specific policy purposes or for general contingencies and cash flow management. Revenue reserves result from events that have allowed or required monies to be set aside, year-end surpluses or circumstances that have led to anticipated expenditure being delayed or cancelled. Revenue reserves can be used for revenue or capital purposes.

Capital reserves are created from usable capital receipts. Capital reserves are not available for revenue purposes.

It is the responsibility of the Chief Financial Officer to advise the Council about the level of reserves that should be held and to ensure that there are clear protocols for their establishment and use.

Section 25 of the Local Government Act 2003 places a specific personal duty on the Chief Financial Officer to report on the adequacy of reserves and the robustness of the budget. The Chief Finance Officer includes this report in the budget setting report to Council in February each year.

The Council holds an earmarked reserve to support funding on Council Priorities. The use of Council Priorities Fund over the life of the MTFS is set out below:

Key use of earmarked reserves	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Publica transformational change	95			
Additional car parking provision in Cirencester	60	60	60	
Local Plan Refresh	10	355		
Local Transport Engineer	50	25		
Recovery Investment Strategy and Economic Development	150	74		
Cirencester multi-story car park	68	705		
Covid-19 contingency for additional costs of Ubico contract	235			
Street Signs – carry forward from 2020/21	20			
Other	10	10	10	2
Total	6988	1,229	70	2

Conclusion

The Council has approved an ambitious Corporate Plan for delivery over the next few years. This Medium Term Financial Strategy sets out the financial envelope for delivery of this Plan.

There are some significant risks to the Council from changes to Government funding. The Council has been planning for these changes and has approved a Recovery Investment Strategy to respond to potential reductions in Government funding.

In order to deliver action to support the new Council Priorities, the Council will need to invest in capital projects and this will require the Council to borrow for the first time since 1997. The MTFS reflects the financial implications of the borrowing plans set out in the Capital Strategy. All new capital investment will be subject to governance arrangements set out in the approved Recovery Investment Strategy and the due diligence requirements set out in the Capital Strategy.

The net cost of the Council’s revenue plans, over the life of this Strategy, is as follows:

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Budget (surplus)/deficit	(6)	923	731	243

The forecast deficits in 2022/23 and 2023/24 reflect the impact of reduced funding from Government from the MHCLG Fairer Funding Review in 2022/23 and the slightly later delivery of some savings through the Council's Recovery Investment Strategy which are expected in 2023/24 and 2024/25.

The Council will manage these budget deficits through application of the General Fund Balance. The forecast level of General Fund Balance is set out below:

	31 March 2022 £000	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000
General Fund Balance	2,292	3,002	2,271	2,082

Overall, the Council revenue and capital plans are affordable and the forecast balances on Council resources is set out below:

	31 March 2022 £000	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000
Capital Reserves	4,960	3,094	793	1,079
Earmarked Revenue Reserves	3,822	2,593	2,523	2,521
General Fund Balance	2,292	3,002	2,271	2,082

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	2020/21 £000s	2020/21 Revised £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Expenditure base budget	23,413	23,413	24,820	24,159	22,520	22,009
Inflation - Salaries Retained Staff and Members Allowances	26	30	26	26	26	26
Inflation - Publica	213	234	85	215	215	215
Inflation - Ubico			213	215	218	220
Inflation - Other Contracts	140	140	16	16	16	16
Total Inflationary Increases	379	404	340	472	475	477
Unavoidable budget pressures - See Annex A2	1,728	1,992	(613)	448	303	716
Provision for impact of Covid 19 2021/22			377	(377)		
Government Grant for Impact of Covid 19 2021/22			(377)	377		
Savings						
Savings - Publica and Leisure Contracts	(329)	(294)	(25)	(75)	0	(0)
Recovery Investment Strategy	(774)	(695)	(363)	(2,484)	(1,288)	(850)
Total Expenditure	24,416	24,820	24,159	22,520	22,009	22,352
Income base budget	(12,256)	(12,256)	(9,360)	(11,602)	(11,883)	(11,883)
Inflation				(100)		(130)
Impact of Covid 19 on Sales, Fees and Charges			500	(500)		
Sales, Fees and Charges Grant			(356)	356		
Unavoidable budget pressures - See Annex A2	100	2,896	(2,386)	(38)	0	(241)
Total Income	(12,156)	(9,360)	(11,602)	(11,883)	(11,883)	(12,254)
Net cost of service	12,260	15,461	12,557	10,636	10,126	10,098
Central Government Funding						
Retained Business Rates Estimate	(3,150)	(3,150)	(3,280)	(2,900)	(2,959)	(3,078)
Revenue Support Grant/Covid 19 Gov Funding	0.000	(2,765)				
Lower Tier Services Grant			(691)			
Rural Services Delivery Grant	(602)	(602)	(632)	0	0	0
New Homes Bonus	(3,169)	(3,169)	(2,093)	(665)	0	0
Overall Central Government Funding	(6,921)	(9,687)	(6,696)	(3,564)	(2,959)	(3,078)
Council Tax						
Estimated Council Tax Base	41,817.6	41,817.6	41,848.2	42,350.3	42,858.5	43,372.8
Band D Council Tax	133.93	133.93	138.93	143.93	148.93	153.93
Council Tax Yield	(5,601)	(5,601)	(5,814)	(6,095)	(6,383)	(6,676)
Local Council Tax Support Grant			(88)			
Tax income guarantee - 75%			(32)	(32)	(32)	
Collection Fund (Surplus)/Deficit - Council Tax	49	49	67	(53)	(53)	(100)
Overall Funding Position	(12,473)	(15,238)	(12,563)	(9,713)	(9,395)	(9,855)
Budget (Surplus)/Deficit	(212)	223	(6)	923	731	243

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Unavoidable Budget Pressures	2020/21	2020/21 Revised	2021/22	2022/23	2023/24	2024/25
Expenditure						
Revenue Impact of increase to external borrowing - MRP	683,000	(67,000)	297,143	328,000	472,400	591,971
Loan repayments offsetting MRP on external borrowing for loans					(400,000)	
Revenue Impact of increases to external borrowing - interest	99,348	0	19,290	119,720	376,216	263,915
Interest from Ubico re vehicle lease payments			(75,000)			
Interest on loans to third parties - offsetting interest costs					(145,500)	0
GCC Waste Incentive Grant Reduction	45,000	65,000				
Review of statutory officers	50,000	50,000	35,000			
Flytipping - saving from end of funding for temporary resource			(35,000)			
Flytipping Officer temporary resource made permanent			35,000			
Additional Ubico contract cost - transfer of green waste to site in Purton		68,000				
Waste Service Review	610,000	610,000				
Increase to Ubico contract sum 2021/22			60,000			
Additional fleet hire costs in Ubico contract			400,000			
Use of capital receipts to fund MRP re vehicle fleet - from Ubico lease payments			(297,143)			(139,571)
Members Allowances re new Scheme approved May 2019	47,005	47,005				
Council Chamber Webcasting Ongoing Support and Maintenance	20,000	20,000				
Severn Wye funding for investment in SMEs climate change measures	3,000	3,000				
Climate Change Manager Post	70,000	70,000				
Contribution to election fund	10,000	10,000				
Green Energy Supply	6,100	6,100				
Insurance Premiums	23,280	23,280				
External Valuation Resource - Property Services	10,000	10,000				
Support of in-cab system for waste and recycling vehicles	26,000	26,000				
Enhanced support for communications team	5,000	5,000				
Community Welfare Grants	20,000	20,000				
Additional costs for homeless service		50,000				
Savings from Civica Revs and Bens System Licences			(50,000)			
One-off costs impact of Covid 19		1,157,000	(1,157,000)			
One-off savings related to impact of Covid 19		(181,000)	181,000			
Recycling Materials Processing Costs			78,000			
Business Rates and Utilities budget alignment			18,000			
Publica contract variation - Support for Statutory Officers and Members			13,000			
Savings in Supplies and Services Budgets			(167,000)			
Collection of sharps from pharmacies - end of NHS Contract			12,000			
Strengthening Publica Board of Directors			5,000			
External Audit Fees - changes to national regulatory framework driving increase			15,000			
Total Expenditure Budget Pressures	1,727,733	1,992,385	(612,710)	447,720	303,116	716,316
Indicative car parking income from Decked Car Parking Cirencester				0		(241,000)
Impact of lump sum payment in to pension fund (2020/21) on investment income			(16,000)	(16,000)		
Reduced planning income	100,000	100,000	170,000			
Additional income Whiteway Car Park and other additional car parking in Cirencester		(17,646)	(142,054)			
Loss of Investment Income - acquisition of strategic site in MIM				3,200		
Loss of investment income due to lower interest rates			189,000			
Additional Car Parking - linked to acquisition of strategic site in MIM				(25,000)		
Loss of income from housing benefit overpayments as a result of new claimants claiming via universal credit		118,000				
Recycling Materials Market Value Changes			97,000			
Realignment of income budgets to reflect actual income			12,000			
One-off Covid 19 Impact upon income		2,696,000	(2,696,000)			
Total Income Growth/Budget Pressures	100,000	2,896,354	(2,386,054)	(37,800)	0	(241,000)
TOTAL	1,827,733	4,888,739	(2,998,764)	409,920	303,116	475,316

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	2020/21 As per Approved MTFS £000	2020/21 Revised £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Reserves						
Opening Balance of capital receipts and capital grants	(8,060)	(10,023)	(5,267)	(4,960)	(3,094)	(793)
Expenditure:						
Private Sector Housing Renewal Capital Grant - DFGs	700	700	700	700	700	700
ICT Capital funding	200	120	200	200	200	200
Business World Upgrades - Finance and HR System	15	0				
Replacement of Idox/Uniform system (ICT)		0	150			
Planning documents and scanning solution		0	200			
Car Park Improvements		245				
Additional investment in Car Parking at Rugby Club	192	390				
Provision for further electric vehicle charging points	150	600	150	150	150	150
Replace pay and display machines	125	125				
Provision for Ubico Ltd waste vehicles	1,410	2,080	35	270	977	32
In-cab technology		140				
Ubico contract - roller brake testing	52	52				
Waste receptacles growth in properties and replacements	55	55	55	55	55	55
Contribution to Rural Broadband scheme	500	500				
Capital works on Corinium Museum		241				
Community Projects Fund	50	115	50	50	50	50
Barn Theatre Loan		20				
Barn Theatre Grant - from CPF Carry forward		4				
Potential new capital schemes						
Investment in Cirencester Leisure Centre			1,200			
Replacement Leisure equipment	380		380			
Investment in multi-storey car parking Cirencester	4,758	0	0	6,379	6,379	
Investment in Strategic Property Acquisition (Council 27 June 19)		1,875				
Investment in Strategic Property Acquisition (Council 27 June 19) additional borrowing requirement - changed to funding from capital receipts		2,485				
Recovery Investment Strategy			15,200	20,000	19,000	
Webcasting and Audio Visual Investment	80	80				
Acquisition of Strategic Site Moreton-in-Marsh		980				
Packers Leaze Depot - flood prevention works		80				
Financing:						
Borrowing for Waterloo Car Park Development	(4,758)	0	0	(3,620)	(3,620)	
Borrowing other investments	0	(2,220)	(16,400)	(20,000)	(19,977)	0
Capital Financed from Revenue	(250)	(250)	(250)	(250)	(250)	(250)
Earmarked reserves funding Cirencester multi-storey car park	(705)			(705)		
Earmarked reserves funding Strategic Prop Acquisition Council 27 June 19		(1,795)				
Earmarked reserves funding roller brake testing	(52)	(52)				
DFG Grant / Better Care Fund	(650)	(650)	(650)	(650)	(650)	(650)
Right to Buy and other misc. capital receipts	(150)	(150)	(150)	(150)	(150)	(150)
Loan repayment from Ubico Ltd for waste vehicles	(765)	(765)	(860)	(860)	(860)	(860)
Application of Ubico receipts to fund MRP			297	297	297	437
Unilateral Undertaking funding for development of MIM Site		(250)				
Estimated Closing Balance of Capital Receipts	(6,723)	(5,267)	(4,960)	(3,094)	(793)	(1,079)

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Revenue Reserves

	2020/21 As per MTFS £000	2020/21 Revised £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Council Priorities Fund (and CPF allocations)						
Opening balance	(2,441)	(4,045)	(2,070)	(1,372)	(143)	(73)
Income						
Contribution to CPF From review of earmarked reserves		(873)				
Allocation of financial gain from Business Rates Pool	(350)	(350)				
Windfall gain from BR Pool 2019/20		(189)				
Street Signs underspend in 2020/21 carry forward to 2021/22		(20)				
Expenditure/Commitments						
Defibrulators		32				
Additional Resources - Legal, Property, ERS		70				
WWI Grants		4				
Funding capital expenditure multi-storey car park (Waterloo)	705			705		
Acquisition of strategic prop in Cirencester		1,795				
Kemble Housing (Funding Allocation Sept 2017)		81				
Revenue contribution to 2020 Vision Programme		0	95			
CIL/S.106 Implementation Project Resource			2	10	10	2
Gloucestershire Wildlife Trust Contributions	3	3				
Funding OMH Demolition and Redevelopment		65				
Decked car parking in Cirencester		118				
Coach Park BOTW (Feb 16)		52				
Cemeteries repairs and maintenance		20				
Kemble Housing		20				
DFG - Relocation Revenue Grants	5	5				
Additional car parking provision Cirencester	60		60	60	60	
Climate Change Studies		105				
Members ICT Smoothing Fund	5	5				
Local Plan Carry Forward of Previous Funding		92				
Local Plan Refresh	400	375	10	355		
Transport Engineer Post funded from LP Refresh		25	50	25		
Media and comms - especially Corporate Plan and budget consultation		5				
Development of Health, Wellbeing and Leisure Strategy	50	50				
Resource to support fundraising for the Corinium Museum	20	20				
Resources to support development and implementation of Recovery Investment Strategy and Economic Development	350	126	150	74		
Property Services - Options Appraisals	50	32				
Contribution to feasibility study on Cirencester light railway - Council 22/1/20	13	13				
Communications Funding for Market Research, Council Plan, Flytipping, Car Parking Project etc.	30	35				
Roller brake testing	52	52				
New and Replacement Street and District Signage	20	20				
LED lighting in Council buildings and improve external lighting	20	20				
New noise equipment and resource for Air Quality	20	10				
Legal Fees re health and safety case		20				
Open Space Review		25				
Housing First		23				
Waterloo Car Park Planning Application			68			
Devolution White Paper - Gloucestershire Unitary Authorities		75				
Strategic Site Moreton-In-Marsh Revenue Support		4	8			
Ubico - provision for additional costs re waste collection from residents - work from home/covid 19 lockdowns etc.			235			
Green Homes Grants - work in partnership enabling local residents to access grants		10				
Street Signs carry forward of budget from 2020/21			20			
Closing balance	(988)	(2,070)	(1,372)	(143)	(73)	(71)

Revenue Reserves

	2020/21 As per MTFS £000	2020/21 Revised £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Other Earmarked Reserves (excluding CPF)						
Opening balance	(3,120)	(3,767)	(2,450)	(2,450)	(2,450)	(2,450)
Income						
Expenditure						
Community Led Housing Grant - community led housing officer post	39	39				
Community Led Housing Grant - other expenditure	361	361				
Housing First		37				
Barn Theatre Grant part funded from reserves and part from Community Projects Fund		7				
Trf to Council Priorities Fund		873				
Closing balance	(2,720)	(2,450)	(2,450)	(2,450)	(2,450)	(2,450)
Total of Earmarked reserves	(3,708)	(4,520)	(3,822)	(2,593)	(2,523)	(2,521)
General fund working balance						
Opening balance	(4,746)	(4,475)	(651)	(2,292)	(3,002)	(2,271)
Impact of Senior Management Changes		333				
Lump sum contribution to Gloucestershire LGPS	3,268	3,268	(1,634)	(1,634)		
Revenue budget (surplus)/deficit for the year	(212)	223	(6)	923	731	243
Closing balance on the General Fund	(1,690)	(651)	(2,292)	(3,002)	(2,271)	(2,028)
Total of Council revenue reserves (GF and Earmarked Reserves)	(5,398)	(5,171)	(6,114)	(5,595)	(4,794)	(4,549)

SUMMARY REVENUE EXPENDITURE 2020/21 & 2021/22

By Service Area	2020/21 Original Budget		2020/21 Revised Budget		2021/22 Estimate	
	£		£		£	
	Expenditure	Income	Expenditure	Income	Expenditure	Income
Environmental Services	8,659,812	(4,988,152)	8,699,332	(3,086,828)	9,384,710	(5,335,286)
Leisure & Communities	1,657,623	(0)	2,562,763	(0)	1,833,381	(105,269)
Planning & Strategic Housing	2,414,756	(1,192,462)	2,409,511	(742,167)	2,568,957	(1,021,487)
Democratic Services	983,118	(35,005)	938,248	(23,905)	998,213	(25,905)
Corporate Services	2,653,578	(1,185,763)	6,445,175	(1,145,794)	2,722,484	(1,812,945)
Environmental & Regulatory Services (ERS)	1,063,447	(649,890)	1,001,376	(440,220)	1,008,148	(605,720)
Business Support Services - Finance, HR, Procurement	2,186,878	(1,280,103)	2,186,877	(1,280,103)	2,245,720	(1,324,880)
Business Support Services - ICT, Business Improvement	1,896,805	(84,757)	1,881,770	(65,757)	1,894,150	(96,957)
Land, Legal & Property	1,495,898	(833,036)	1,543,383	(805,971)	1,521,862	(858,734)
Revenues & Housing Support	14,839,805	(14,589,840)	14,903,350	(14,424,840)	14,017,205	(13,714,739)
2020 Partnership and transformation	259,495	0	277,862	0	83,246	0
Covid contingency, Savings targets, vacancy factor and other contingency for utilities & income	75,203	0	(3,143)	0	930,845	0
Total Cost of Service	38,186,418	(24,839,009)	42,846,505	(22,015,586)	39,208,922	(24,901,923)
Total Cost of Service (Net)		13,347,409		20,830,920		14,306,999
<u>Plus</u>						
Capital charges reversals		(1,601,496)		(1,601,496)		(1,751,452)
Capital expenditure funded from revenue and MRP		933,000		250,000		250,000
Movement to/(from) Reserves		(418,641)		(418,641)		(248,532)
Net Budget Requirement		12,260,272		19,060,783		12,557,015

By subjective	2020/21 Budget £	2020/21 Revised £	2021/22 Estimate £
Employees	2,868,514	6,465,110	3,058,837
Premises-Related Expenditure	1,432,723	1,446,768	1,502,709
Transport-Related Expenditure	49,044	24,339	20,659
Supplies & Services	2,748,494	3,480,993	2,534,245
Housing Benefit Payments	13,906,164	13,906,164	12,993,426
Major Contract Payments	15,328,633	15,769,633	17,218,420
Revenue Grants	85,000	85,000	110,000
Depreciation and Impairment Losses	1,767,844	1,668,496	1,770,625
Total Cost	38,186,417	42,846,503	39,208,922
Income	(24,839,009)	(22,015,586)	(24,901,923)
Total Cost of Service	13,347,408	20,830,918	14,306,999
<u>Plus</u>			
Reversal of capital charges	(1,601,496)	(1,601,496)	(1,751,452)
Capital expenditure funded from revenue and MRP	933,000	250,000	250,000
Movement to/(from) Earmarked Reserves	(418,641)	(418,641)	(248,532)
Net Budget Requirement	12,260,271	19,060,781	12,557,015

	2020/21 Budget £	2020/21 Revised £	2021/22 Estimate £
<u>Financing:</u>			
NNDR net income	(3,149,673)	(3,149,673)	(3,279,988)
Rural Services Delivery Grant	(602,434)	(602,434)	(632,183)
Lower Tier Services Grant	0	(2,765,000)	(690,819)
New Homes Bonus	(3,169,266)	(3,169,266)	(2,092,561)
Collection Fund Deficit/(Surplus) - Council Tax	49,328	49,328	66,536
Local Council Tax Support Grant and Tax Income Guarantee			(120,294)
GF Budget Surplus/(deficit) [transfer (from)/to GF]	212,409	(222,101)	6,257
Contribution (from)/to General Fund	0	(3,601,000)	0
	5,600,636	5,600,637	5,813,963
Council Tax Base	41,817.64	41,817.64	41,848.15
Band D Council Tax	133.93	133.93	138.93

Budget Summary, by Service Groups, by Cost Centre

ENVIRONMENTAL SERVICES	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
CCC001 Climate Change	93,792	0	93,792	0	94,563	0
CCM001 Cemetery, Crematorium and Churchyards	208,043	(63,830)	208,043	(63,830)	167,685	(63,830)
CCM402 Cemeteries - Maintenance	16,275	0	16,275	0	16,275	0
CPK401 Car Parks	972,963	(2,751,545)	947,483	(1,089,221)	1,025,989	(2,989,797)
CPK402 Car Parks - Maintenance	35,725	0	35,725	0	35,725	0
CPK413 Car Parks - Tetbury The Chippings	39,075	(54,000)	39,075	(54,000)	39,075	(54,000)
FLD401 Land Drainage	95,555	(20,000)	95,555	(20,000)	97,274	(20,000)
HLD410 Waste - Cleansing	123	0	123	0	84	0
REG003 Animal Control	59,185	(32,505)	59,185	(32,505)	59,828	(32,505)
REG019 Public Conveniences	274,495	(84,030)	274,495	(84,030)	270,633	(84,030)
REG023 Environmental Strategy	647	0	647	0	655	0
RYC001 Recycling	2,459,487	(999,964)	2,524,487	(839,964)	2,734,062	(882,964)
RYC002 Green Waste	942,667	(764,000)	942,667	(685,000)	1,008,377	(835,000)
RYC003 Food Waste	747,461	0	747,461	0	805,818	0
STC001 Street Cleaning	1,089,621	0	1,089,621	0	1,352,383	0
WST001 Household Waste	1,536,191	(8,780)	1,536,191	(8,780)	1,589,267	(143,662)
WST004 Bulky Household Waste	40,907	(36,000)	40,907	(36,000)	41,930	(56,000)
WST401 Refuse-Stow Fair	11,206	0	11,206	0	11,227	0
WST402 South Cerney Depot, Packers Lease	33,467	(173,500)	33,467	(173,500)	31,768	(173,500)
ENVIRONMENTAL SERVICES	8,659,812	(4,988,152)	8,699,332	(3,086,828)	9,384,710	(5,335,286)

	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
Employees	3		3		74,885	
Premises	667,360		667,360		669,457	
Transport	0		0		0	
Supplies & Services	528,361		502,881		407,482	
Major contract payments	7,085,239		7,150,239		7,755,908	
Transfer Payments	0		0		0	
Depreciation & Amortisation	378,848		378,848		476,977	
External Income		(4,988,152)		(3,086,828)		(5,335,286)
Recharges	0		0		0	
ENVIRONMENTAL SERVICES	8,659,812	(4,988,152)	8,699,332	(3,086,828)	9,384,710	(5,335,286)

Subjective analysis:

Employees

Premises

Transport

Supplies & Services

Major contract payments

Transfer Payments

Depreciation & Amortisation

External Income

Recharges

LEISURE & COMMUNITIES	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
CCR001 Community Safety (Crime Reduction)	68,150	0	68,150	0	48,335	0
COM401 Health Policy	25,642	0	25,642	0	25,847	0
COM402 Community Liaison	95,091	0	95,091	0	95,927	0
COM403 Youth Participation	92,863	0	92,863	0	92,916	0
COM405 Health Development	41,413	0	41,413	0	41,774	0
CUL410 Corinium Museum	98,980	0	98,980	0	101,084	0
CUL412 Collection Management	4,855	0	4,855	0	4,961	0
CUL413 Northleach Resouce Centre	8,850	0	8,850	0	8,850	0
GBD001 Community Welfare Grants	165,352	0	165,352	0	165,830	0
REC410 Ciren - Centre Management	568,258	0	1,473,398	0	687,063	(105,269)
REC419 Cirencester Leisure - Maintenance	32,850	0	32,850	0	32,850	0
REC430 C Campden - Centre Management	124,490	0	124,490	0	125,878	0
REC450 Bourton - Centre Management	147,697	0	147,697	0	150,951	0
REC459 Bourton - Maintenance	28,019	0	28,019	0	28,019	0
SUP002 Consultation, Policy & Research	86,842	0	86,842	0	87,473	0
TOU001 Tourism Strategy and Promotion	14,271	0	14,271	(0)	39,401	(0)
TOU402 Partnership Grants	54,000	0	54,000	0	54,000	0
LEISURE & COMMUNITIES	1,657,623	0	2,562,763	(0)	1,833,381	(105,269)

	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
Subjective analysis:						
Employees	1		1		1	
Premises	93,919		93,919		93,919	
Transport	0		0		0	
Supplies & Services	212,075		1,012,215		192,075	
Major contract payments	356,395		461,395		507,283	
Transfer Payments	85,000		85,000		110,000	
Depreciation & Amortisation	910,233		910,233		930,103	
External Income		(0)		0		(105,269)
LEISURE & COMMUNITIES	1,657,623	(0)	2,562,763	0	1,833,381	(105,269)

PLANNING & STRATEGIC HOUSING	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
CIL001 Community Infrastructure Levy	10,000	(10,000)	10,000	(10,000)	10,000	(10,000)
DEV001 Development Management - Applications	850,681	(1,169,877)	850,681	(719,877)	851,375	(999,877)
DEV002 Development Management - Appeals	128,320	0	128,320	0	128,712	0
DEV003 Development Management - Enforcement	184,168	(0)	184,168	(0)	185,843	(0)
DEV004 Development Advice	327,953	0	327,953	0	330,666	0
DEV401 Planning Advice For Land Charges	11,218	0	11,218	0	11,321	0
HAD001 Housing Advice	276,290	0	271,795	0	274,132	0
HOS001 Housing Strategy	92,562	(295)	91,812	0	138,534	0
HOS002 Housing Partnerships	24,218	0	24,218	0	24,436	0
HOS005 Community-Led Housing	30,200	0	30,200	0	30,475	0
PLP002 Local Development Framework	250,055	(780)	250,055	(780)	339,953	(100)
PLP005 Heritage & Design	196,822	0	196,822	0	210,966	0
PLP401 Fwd Plan work for Dev Con	16,360	0	16,360	0	16,508	0
PSM001 Planning - Service Management and Support S	15,908	(11,510)	15,908	(11,510)	16,035	(11,510)
PLANNING & STRATEGIC HOUSING	2,414,756	(1,192,462)	2,409,511	(742,167)	2,568,957	(1,021,487)

	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
Employees	0		0		0	
Premises	20,830		20,830		20,830	
Transport	0		0		0	
Supplies & Services	261,722		256,477		258,557	
Major contract payments	2,075,173		2,075,173		2,243,239	
Transfer Payments	0		0		0	
Depreciation & Amortisation	57,030		57,030		46,330	
External Income		(1,192,462)		(742,167)		(1,021,487)
PLANNING & STRATEGIC HOUSING	2,414,756	(1,192,462)	2,409,511	(742,167)	2,568,957	(1,021,487)

Subjective analysis:

Employees	0		0		0	
Premises	20,830		20,830		20,830	
Transport	0		0		0	
Supplies & Services	261,722		256,477		258,557	
Major contract payments	2,075,173		2,075,173		2,243,239	
Transfer Payments	0		0		0	
Depreciation & Amortisation	57,030		57,030		46,330	
External Income		(1,192,462)		(742,167)		(1,021,487)
PLANNING & STRATEGIC HOUSING	2,414,756	(1,192,462)	2,409,511	(742,167)	2,568,957	(1,021,487)

DEMOCRATIC SERVICES	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
DRM001 Democratic Representation and Management	114,646	(0)	114,646	(0)	115,690	(0)
DRM003 Councillors Allowances	315,830	0	301,845	0	304,890	0
DRM004 Servicing Council	16,881	0	3,992	0	4,015	0
DRM005 Committee Services	69,453	(11,100)	51,458	0	88,568	0
DRM008 Corporate Subscriptions	18,980	0	18,980	0	18,980	0
ELE003 Elections Support/Overheads	133,932	(1,880)	133,932	(1,880)	134,662	(1,880)
ELE005 Parish Elections	5,000	0	5,000	0	5,000	(2,000)
SUP018 Press & PR/Communications	55,686	0	55,686	0	56,087	0
SUP022 Printing Services	213,056	(22,025)	213,056	(22,025)	230,310	(22,025)
SUP024 Postal Services	39,653	0	39,653	0	40,011	0
DEMOCRATIC SERVICES	983,117	(35,005)	938,248	(23,905)	998,213	(25,905)
<u>Subjective analysis:</u>						
Employees	10,999		0		0	
Premises	710		710		710	
Transport	17,805		7,500		6,820	
Supplies & Services	481,722		458,157		461,837	
Major contract payments	455,946		455,946		473,103	
Transfer Payments	0		0		0	
Depreciation & Amortisation	15,935		15,935		55,743	
External Income		(35,005)		(23,905)		(25,905)
DEMOCRATIC SERVICES	983,117	(35,005)	938,248	(23,905)	998,213	(25,905)

CORPORATE SERVICES	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
COR005 Corporate Finance	98,547	0	98,547	0	98,677	0
COR007 External Audit Fees	55,830	0	55,830	0	70,830	0
COR008 Bank Charges	61,065	0	61,065	0	61,065	0
FIE030 Interest and Investment Income	0	(602,668)	0	(602,668)	0	(504,668)
FIE410 Commercial Properties - General	10,630	(295)	10,630	39,705	10,630	4,705
FIE411 Old Memorial Hospital (inc Cottages)	30,035	(6,660)	30,035	(6,660)	29,915	(6,660)
FIE412 Cotswold Club	520	(3,030)	520	(3,030)	520	0
FIE413 Dyer Street	0	(120,000)	0	(120,000)	0	(120,000)
FIE415 Old Station	23,664	0	23,337	0	24,629	0
FIE416 Brewery Court, Arts & Niccol Centre	1,860	(56,486)	1,860	(56,517)	1,860	(56,517)
FIE417 GCC Depot, Chesterton Lane	1,150	(960)	1,150	(960)	1,150	(960)
FIE418 Abberley House/44 Black Jack St.	24,141	(85,960)	24,141	(85,960)	24,640	(85,960)
FIE419 Compton House	1,500	(12,875)	1,500	(12,875)	1,500	(13,235)
FIE423 1st Floor Church Rms, Bourton-on-the-Water	0	(4,395)	0	(4,395)	0	(4,395)
FIE424 Bourton VIC	1,339	(8,000)	1,339	(8,000)	1,353	(8,000)
FIE426 Wilkinson's West Bromich	10,130	(130,855)	10,130	(130,855)	10,130	(130,855)
FIE427 Superdrug Hereford	0	(61,500)	0	(61,500)	0	(61,500)
FIE428 Tesco's Seaford	0	(92,079)	0	(92,079)	0	(91,719)
NDC401 Discretionary Pension Payments	1,881,916	0	5,376,646	0	1,881,916	0
SUP032 Strategic Directors	451,251	0	498,445	0	503,669	0
COV019 Coronavirus	0	0	250,000	0	0	(733,181)
CORPORATE SERVICES	2,653,578	(1,185,763)	6,445,175	(1,145,794)	2,722,484	(1,812,945)

	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>						
Employees	2,108,698		5,650,622		2,154,091	
Premises	58,803		58,476		61,475	
Transport	0		0		0	
Supplies & Services	217,121		217,121		232,121	
Major contract payments	235,141		485,141		242,284	
Transfer Payments	0		0		0	
Depreciation & Amortisation	33,815		33,815		32,513	
External Income		(1,185,763)		(1,145,794)		(1,812,945)
CORPORATE SERVICES	2,653,578	(1,185,763)	6,445,175	(1,145,794)	2,722,484	(1,812,945)

ENVIRONMENTAL & REGULATORY SERVICES	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
BUC001 Building Control - Fee Earning Work	178,681	(360,000)	168,167	(230,000)	170,566	(360,000)
BUC002 Building Control - Non Fee Earning Work	55,417	0	53,402	0	53,879	0
BUC003 Dangerous Structures	2,500	0	2,500	0	2,500	0
EMP001 Emergency Planning	26,322	0	22,852	0	22,918	0
ESM001 Environment - Service Mgt and Support	105,598	0	103,098	0	103,924	0
PSH002 Private Sector Housing - Condition of Dwell	5,087	0	2,587	0	301	0
PSH005 Home Energy Conservation	3,412	0	87	0	212	0
REG002 Licensing	213,156	(230,080)	203,836	(180,720)	205,846	(190,720)
REG006 Caravan Sites - Itinerates	3,934	0	3,934	0	142	0
REG007 Caravan Sites - Licensed	87	0	87	0	142	0
REG009 Environmental Protection	229,540	(49,930)	184,180	(27,500)	192,018	(53,000)
REG013 Pollution Control	106,760	0	117,300	0	127,651	0
REG016 Food Safety	122,687	(2,000)	135,580	(2,000)	126,279	(2,000)
REG021 Statutory Burials	1,639	(380)	3,639	0	1,642	0
STC011 Abandoned Vehicles	8,627	(7,500)	127	0	128	0
ENVIRONMENTAL & REGULATORY SERVICES	1,063,447	(649,890)	1,001,376	(440,220)	1,008,148	(605,720)

	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>						
Employees	0		0		0	
Premises	0		0		0	
Transport	0		1,000		1,000	
Supplies & Services	139,525		76,454		67,921	
Major contract payments	897,503		897,503		905,682	
Transfer Payments	0		0		0	
Depreciation & Amortisation	26,419		26,419		33,545	
External Income		(649,890)		(440,220)		(605,720)
ENVIRONMENTAL & REGULATORY SERVICES	1,063,447	(649,890)	1,001,376	(440,220)	1,008,148	(605,720)

BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
SUP003 Human Resources	525,802	(267,224)	525,802	(267,224)	514,910	(267,224)
SUP009 Accountancy	475,267	(141,169)	475,267	(141,169)	481,135	(141,169)
SUP010 Internal Audit	107,301	(21,087)	107,301	(21,087)	107,301	(21,087)
SUP011 Creditors	100,896	(59,533)	100,896	(59,533)	101,756	(59,533)
SUP012 Debtors	51,394	(12,951)	51,394	(12,951)	51,802	(12,951)
SUP013 Payroll	99,537	(73,469)	99,537	(73,469)	100,394	(73,469)
SUP019 Health & Safety	111,394	(83,677)	111,394	(83,677)	112,407	(83,677)
SUP020 Training & Development	94,785	(44,292)	94,785	(44,292)	95,619	(29,292)
SUP033 Central Purchasing	57,068	(22,034)	57,068	(22,034)	57,007	(22,034)
SUP035 Insurances	57,527	(51,969)	57,527	(51,969)	58,051	(51,969)
SUP042 ABW Support and Hosting	46,309	(36,000)	46,309	(36,000)	46,403	(36,000)
SUP403 Counter Fraud - CDC	52,925	(60,026)	52,925	(60,026)	56,672	(64,212)
SUP402 Glos. Counter Fraud Unit	406,671	(406,671)	406,671	(406,671)	462,261	(462,262)
BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	2,186,876	(1,280,104)	2,186,877	(1,280,103)	2,245,720	(1,324,880)

	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>						
Employees	383,269		383,269		441,260	
Premises	0		0		0	
Transport	18,000		2,600		(400)	
Supplies & Services	269,432		284,832		274,618	
Major contract payments	1,498,274		1,498,274		1,511,930	
Transfer Payments	0		0		0	
Depreciation & Amortisation	17,902		17,902		18,312	
External Income		(1,280,103)		(1,280,103)		(1,324,880)
BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	2,186,877	(1,280,104)	2,186,877	(1,280,103)	2,245,720	(1,324,880)

BUSINESS SUPPORT SERVICES - ICT, BUSINESS IMP.	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
ADB411 Moreton-in-Marsh, Offices	79,003	(55,092)	79,003	(36,092)	78,863	(54,292)
COM420 FOH - Moreton	110,916	(4,665)	103,846	(4,665)	104,814	(3,665)
SUP005 ICT	896,465	(5,000)	896,465	(5,000)	916,033	(19,000)
SUP017 Business Improvement/Transformation	110,163	0	110,163	0	111,159	0
SUP021 Business Continuity Planning	20,943	0	20,943	0	21,147	0
SUP023 Freedom of Information Act	10,650	0	10,650	0	10,747	0
SUP031 Application Support	120,780	0	120,780	0	70,780	0
SUP401 FOH - Trinity Road	517,363	0	509,398	0	550,084	0
TMR001 Street Naming	30,522	(20,000)	30,522	(20,000)	30,524	(20,000)
BUSINESS SUPPORT SERVICES - ICT, BUSINESS IMP.	1,896,805	(84,757)	1,881,770	(65,757)	1,894,150	(96,957)

Subjective analysis:

Employees	17,449		17,449		0	
Premises	67,534		67,534		67,026	
Transport	0		0		0	
Supplies & Services	439,425		424,390		388,390	
Major contract payments	1,344,872		1,344,872		1,409,285	
Transfer Payments	0		0		0	
Internal Recharges / Indirect Cost	0		0		0	
Depreciation & Amortisation	27,526		27,526		29,450	
External Income		(84,757)		(65,757)		(96,957)
BUSINESS SUPPORT SERVICES - ICT, BUSINESS IMP.	1,896,805	(84,757)	1,881,770	(65,757)	1,894,150	(96,957)

LAND, LEGAL & PROPERTY SERVICES	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
ADB401 Trinity Road, Offices	494,436	(343,268)	492,718	(359,527)	499,573	(343,268)
ADB402 Trinity Road Improvements (XC0055)	20,000	0	20,000	0	0	0
ADB412 Moreton-in-Marsh, Offices - Maintenance	43,235	0	43,235	0	43,235	0
CUL411 Corinium Museum - Maintenance	41,350	0	41,350	0	41,350	0
ENA401 Housing Enabling Properties	8,110	(17,800)	9,110	(23,476)	9,110	(23,476)
FIE425 22/24 Ashcroft Road	22,764	0	33,764	0	28,534	0
LLC001 Local Land Charges	109,774	(250,705)	109,774	(201,705)	110,361	(250,705)
SUP004 Legal	436,648	(221,264)	481,357	(221,264)	467,627	(241,286)
SUP025 Property Services	319,580	0	312,075	0	322,071	0
LAND, LEGAL & PROPERTY SERVICES	1,495,897	(833,036)	1,543,383	(805,971)	1,521,862	(858,734)

Subjective analysis:

Employees	325,655		372,959		353,539	
Premises	512,787		527,439		503,467	
Transport	13,239		13,239		13,239	
Supplies & Services	163,393		148,923		166,467	
Major contract payments	379,221		379,221		382,531	
Transfer Payments	0		0		0	
Internal Recharges / Indirect Cost	0		0		0	
Depreciation & Amortisation	101,602		101,602		102,619	
External Income		(833,036)		(805,971)		(858,734)
LAND, LEGAL & PROPERTY SERVICES	1,495,898	(833,036)	1,543,383	(805,971)	1,521,862	(858,734)

REVENUES & HOUSING SUPPORT	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
HBPO01 Rent Allowances	14,407,595	(14,187,364)	14,403,605	(14,069,364)	13,495,334	(13,183,091)
HOM001 Homelessness	76,402	(29,266)	126,402	(29,266)	126,663	(76,266)
HOM005 Homelessness Hostels	500	(35,500)	500	(35,500)	4,000	(35,500)
HOM406 Temporary Emergency Accommodation	0	0	0	0	87,825	(77,519)
LTC001 Council Tax Collection	219,137	(143,808)	237,187	(105,808)	207,854	(143,808)
LTC011 NNDR Collection	51,618	(193,902)	51,618	(184,902)	52,017	(198,555)
PSH001 Private Sector Housing Grants	32,854	0	32,854	0	28,013	0
PUT001 Concessionary Travel	15,393	0	15,393	0	15,499	0
SUP014 Cashiers	36,306	0	35,791	0	(0)	0
REVENUES & HOUSING SUPPORT	14,839,805	(14,589,840)	14,903,350	(14,424,840)	14,017,205	(13,714,739)

Subjective analysis:

Employees	0		0		0	
Premises	780		500		75,825	
Transport	0		0		0	
Supplies & Services	104,180		168,005		153,005	
Major contract payments	798,033		798,033		770,759	
Transfer Payments	13,906,164		13,906,164		12,993,426	
Internal Recharges / Indirect Cost	0		0		0	
Depreciation & Amortisation	30,648		30,648		24,190	
External Income		(14,589,840)		(14,424,840)		(13,714,739)
REVENUES & HOUSING SUPPORT	14,839,805	(14,589,840)	14,903,350	(14,424,840)	14,017,205	(13,714,739)

2020 PARTNERSHIP MANAGEMENT & TRANSFORMATION COSTS	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
COR011 2020 Vision	177,000	0	177,000	0	0	0
SUP026 Chief Executive	82,495	0	100,862	0	83,246	0
2020 PARTNERSHIP MNGT & TRANFORM. COSTS	259,495	0	277,862	0	83,246	0

Subjective analysis:

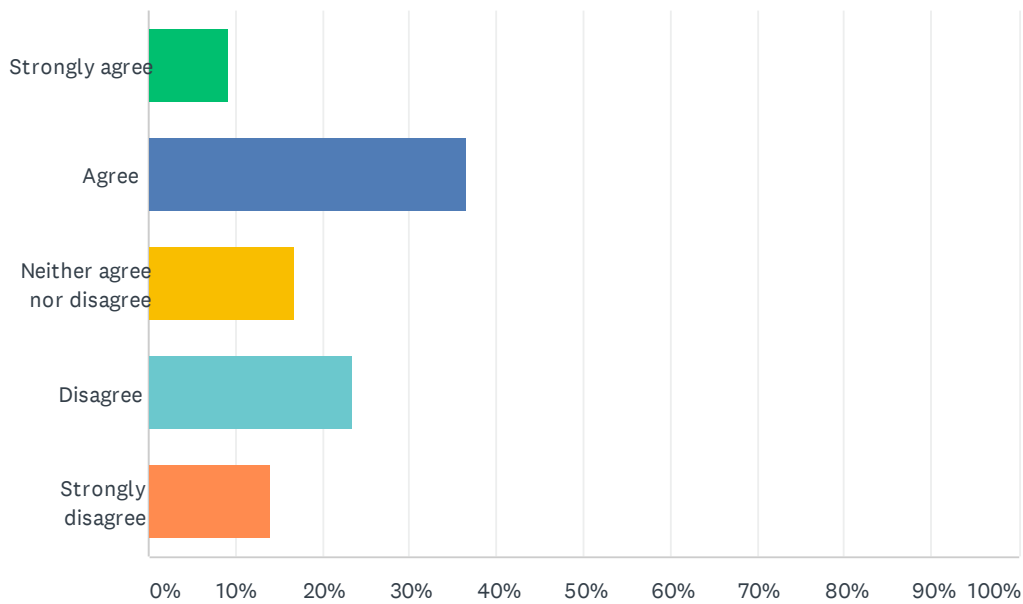
Employees	(0)		18,367		(0)	
Premises	0		0		0	
Transport	0		0		0	
Supplies & Services	120		120		120	
Third Party Payments	257,837		257,837		81,574	
Transfer Payments	0		0		0	
Depreciation & Amortisation	1,538		1,538		1,552	
External Income		0		0		0
2020 PARTNERSHIP MNGT & TRANFORM. COSTS	259,495	0	277,862	0	83,246	0

OTHER	Original Budget 20/21		Revised Budget 20/21		Original Budget 21/22	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£	£	£
Covid contingency, Savings targets, vacancy factor and other contingency for utilities & income	75,203			(3,143)	930,845	
Capital charges reversals		(1,601,496)		(1,601,496)		(1,751,334)
Capital expenditure funded from revenue	933,000		250,000		250,000	
Movement to/(from) Reserves		(418,641)	(418,641)	0		(248,532)
	39,119,415	26,859,146	42,681,007	(23,620,225)	39,458,922	(26,901,789)
Net Budget Requirement	12,260,269		19,060,783		12,557,133	

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Q1 Having read our spending priorities, to what extent do you agree with them?

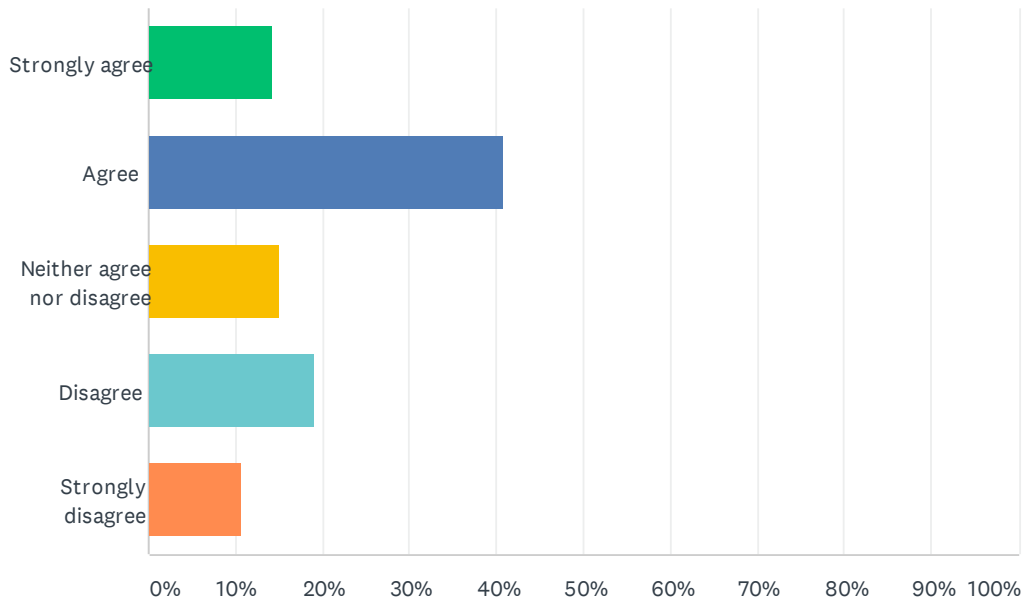
Answered: 345 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	9.28%	32
Agree	36.52%	126
Neither agree nor disagree	16.81%	58
Disagree	23.48%	81
Strongly disagree	13.91%	48
Total Respondents: 345		

Q2 The Council charges for many of the services it provides, including car parking, planning advice and garden waste collection. We will charge for these services in line with private companies, to ensure they are not subsidised by other taxpayers. The Council may, however, decide to subsidise some fees and charges. Reasons for this will be clearly set out and decided by Councillors. Do you agree with this approach?

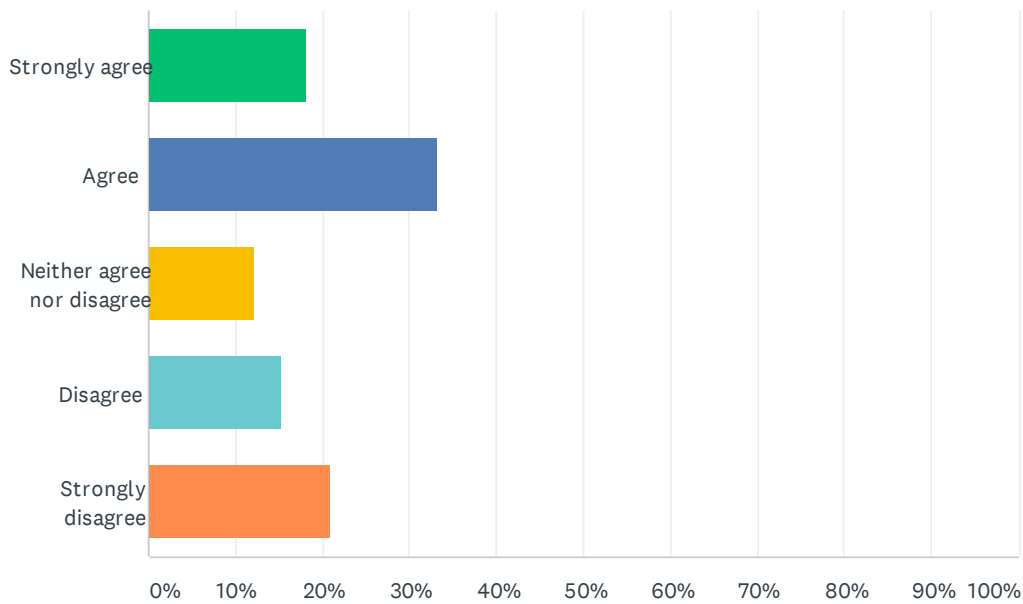
Answered: 345 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	14.20%	49
Agree	40.87%	141
Neither agree nor disagree	15.07%	52
Disagree	19.13%	66
Strongly disagree	10.72%	37
Total Respondents: 345		

Q3 To support our priorities, we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property. Do you agree with this?

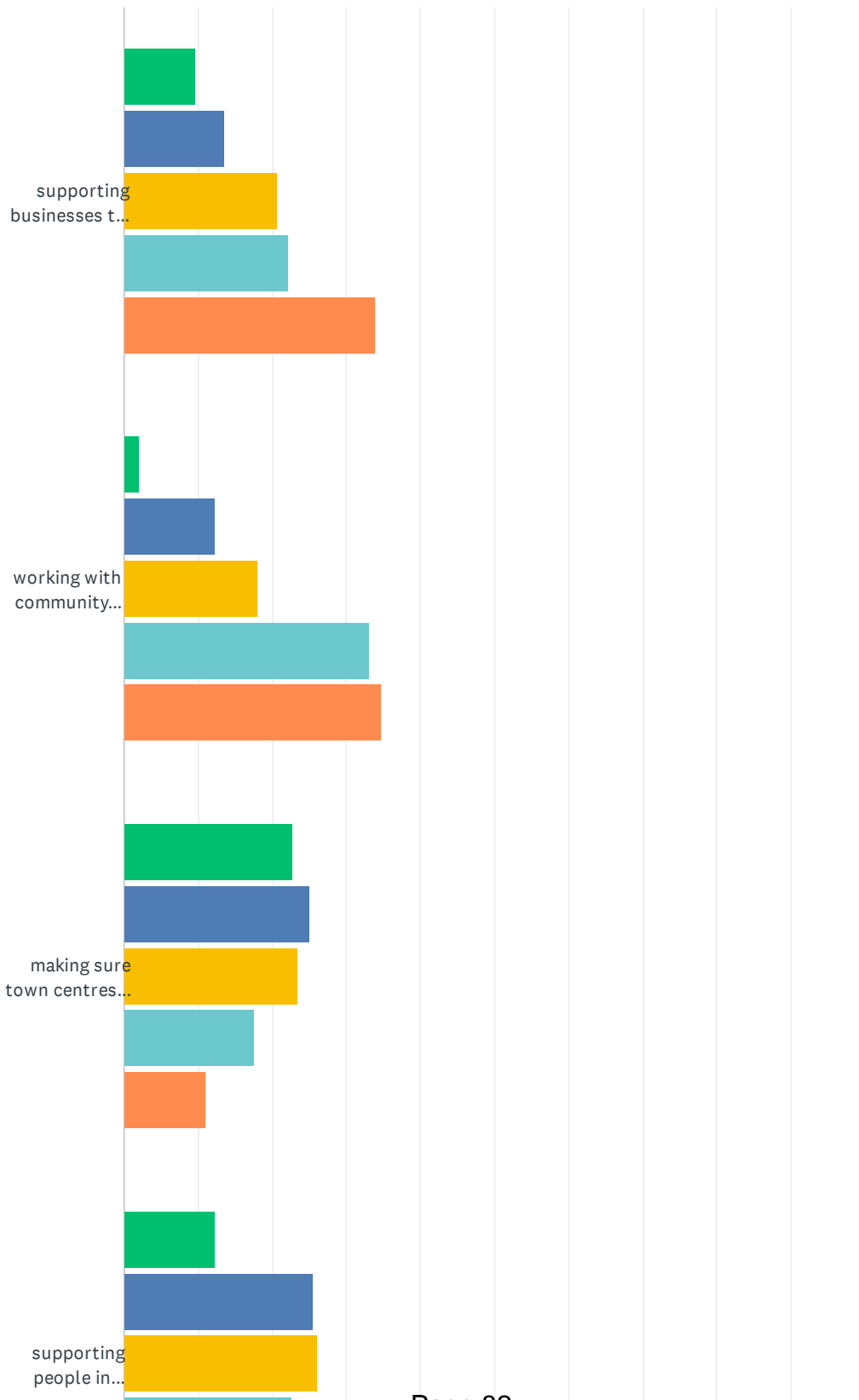
Answered: 345 Skipped: 0

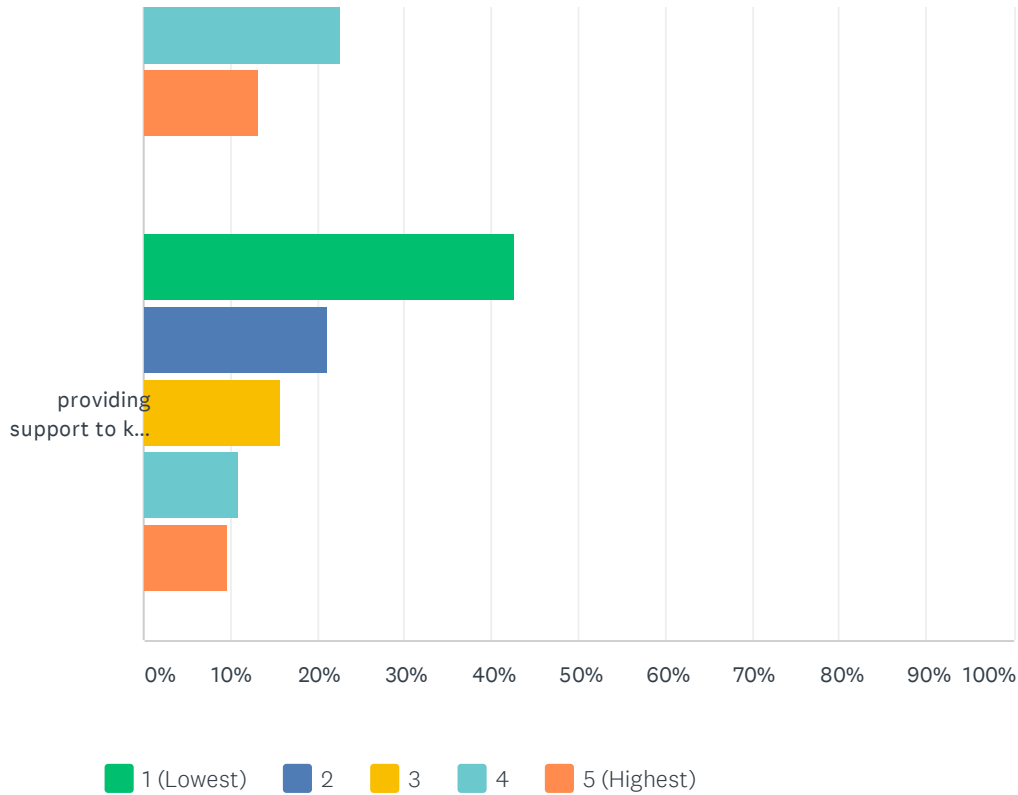


ANSWER CHOICES	RESPONSES	
Strongly agree	18.26%	63
Agree	33.33%	115
Neither agree nor disagree	12.17%	42
Disagree	15.36%	53
Strongly disagree	20.87%	72
Total Respondents: 345		

Q4 We continue to play an important role in the district's recovery from Covid-19. Rank from 5 (highest) to 1 (lowest) your priority for these efforts:

Answered: 345 Skipped: 0

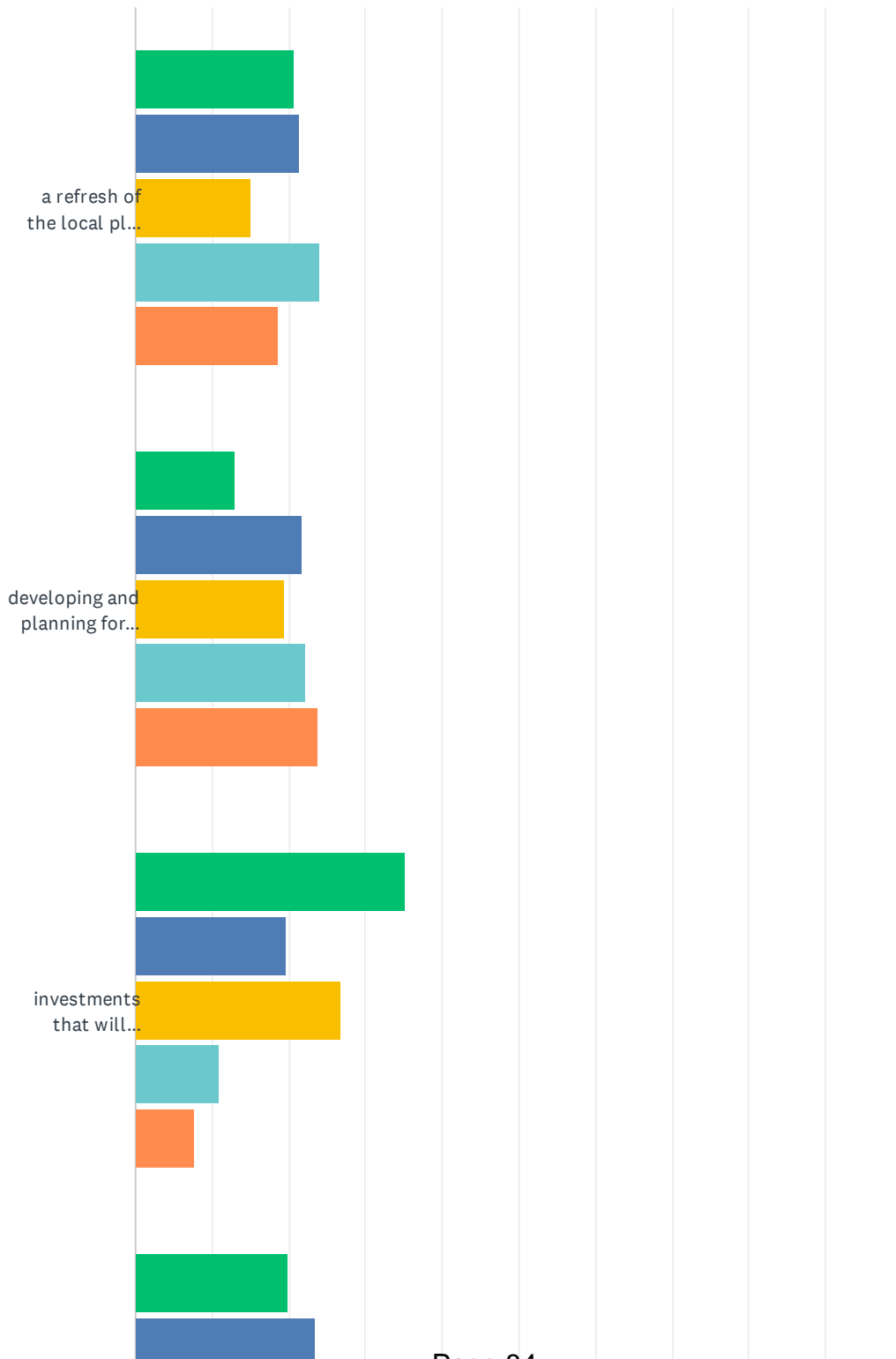


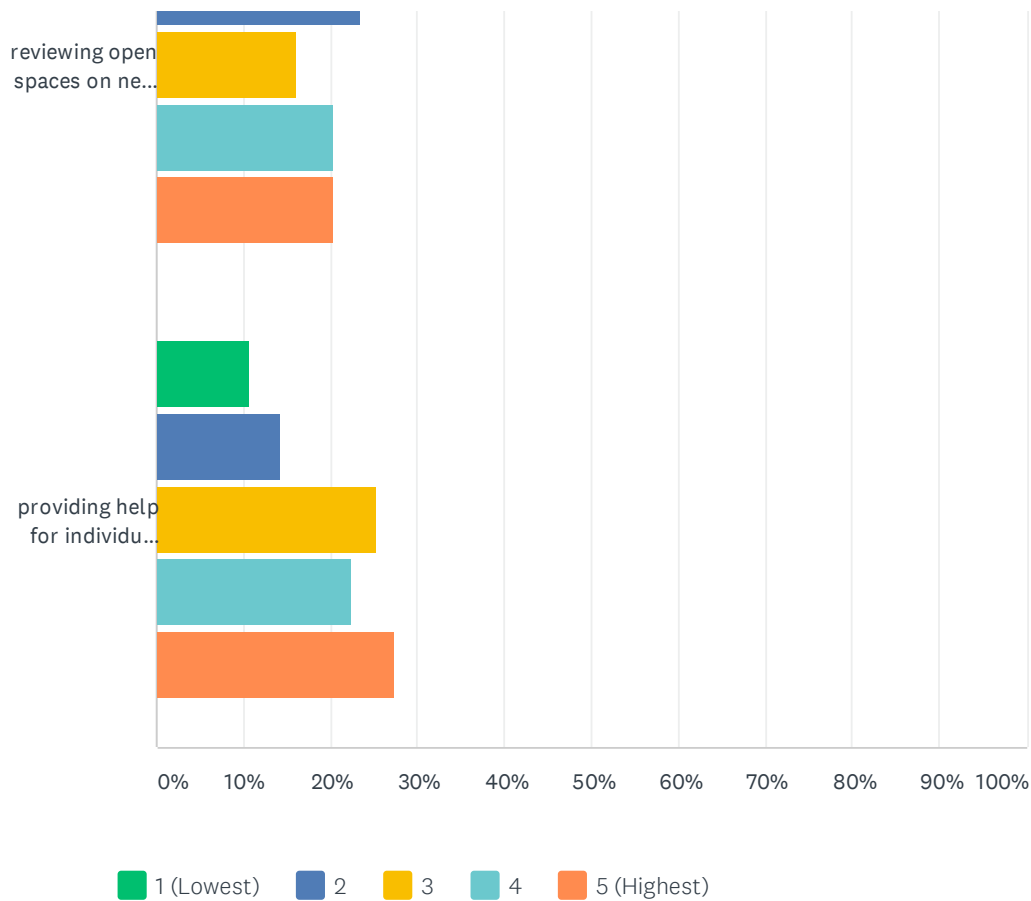


	1 (LOWEST)	2	3	4	5 (HIGHEST)	TOTAL	WEIGHTED AVERAGE
supporting businesses to stay open	9.69% 28	13.49% 39	20.76% 60	22.15% 64	33.91% 98	289	3.57
working with community organisations to support vulnerable people	2.04% 6	12.24% 36	18.03% 53	32.99% 97	34.69% 102	294	3.86
making sure town centres and businesses are safe to visit	22.73% 65	25.17% 72	23.43% 67	17.48% 50	11.19% 32	286	2.69
supporting people in financial hardship	12.30% 38	25.57% 79	26.21% 81	22.65% 70	13.27% 41	309	2.99
providing support to keep our leisure centres and museum open	42.77% 142	21.08% 70	15.66% 52	10.84% 36	9.64% 32	332	2.23

Q5 The Council holds funds for investing in projects which support its priorities. We plan to make one-off investments in 2021/22 on those listed below. Please rank these from 5 (highest) to 1 (lowest) in order of importance to you.

Answered: 345 Skipped: 0

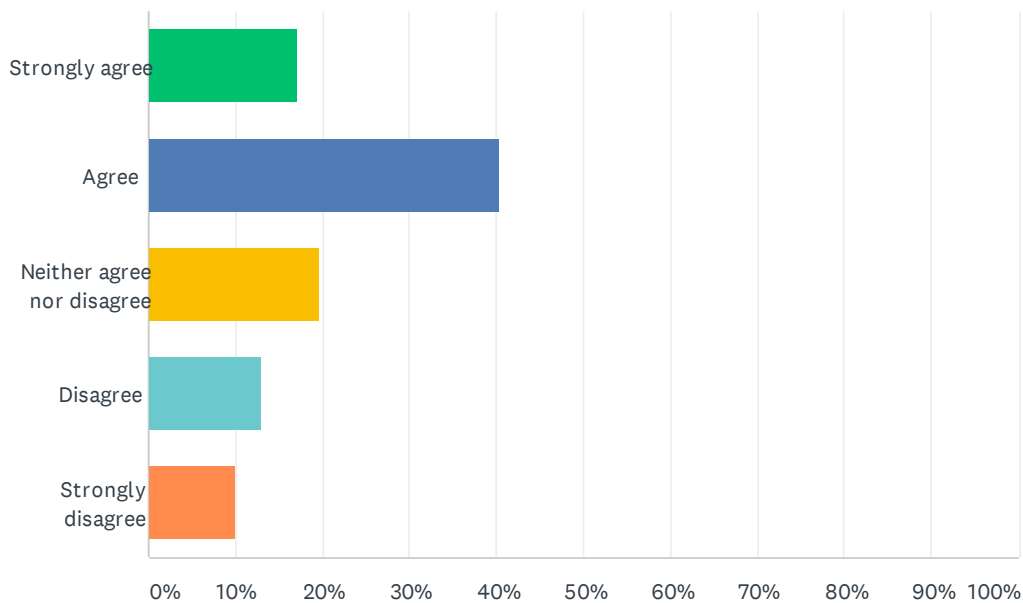




	1 (LOWEST)	2	3	4	5 (HIGHEST)	TOTAL	WEIGHTED AVERAGE
a refresh of the local plan to ensure all new development in the district helps us tackle climate change	20.75% 61	21.43% 63	14.97% 44	24.15% 71	18.71% 55	294	2.99
developing and planning for better and greener ways to travel around the district	12.93% 38	21.77% 64	19.39% 57	22.11% 65	23.81% 70	294	3.22
investments that will provide additional income to the Council to fund spending on our priorities	35.14% 104	19.59% 58	26.69% 79	10.81% 32	7.77% 23	296	2.36
reviewing open spaces on new developments - to support residents dealing with developers about the maintaining of public open space	19.94% 62	23.47% 73	16.08% 50	20.26% 63	20.26% 63	311	2.97
providing help for individuals with complex needs who are facing homelessness to access secure accommodation and support for their needs	10.77% 35	14.15% 46	25.23% 82	22.46% 73	27.38% 89	325	3.42

Q6 We have developed a Recovery Investment Strategy which will see the Council: Charging for services in line with private companies (see Q2) Investing in developing the local economy (including help for local businesses to recover from Covid-19) and in green technologies. Delivering housing for local people at rents they can afford Working with partner councils and contractors to make our services more efficient Do you agree with the principles of the Recovery Investment Strategy?

Answered: 345 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	17.10%	59
Agree	40.29%	139
Neither agree nor disagree	19.71%	68
Disagree	13.04%	45
Strongly disagree	10.14%	35
Total Respondents: 345		

Q7 Are there any comments you would like to make on our priorities or any other aspect of the Council's spending and service delivery?

Answered: 196 Skipped: 149

#	RESPONSES	DATE
1	You should be concentrating on your core statutory responsibilities and climate change is not one of these. Stop playing politics and start supporting local people and businesses	12/11/2020 10:39 PM
2	No more investment should go to affordable housing, there is a very high proportion already within all new housing developments. The council should not charge for services such as planning advice or green waste, this is what council tax is for. I think its completely outrageous you want to increase council tax on only Band D?! What about all the other bands?! This is completely unfair. It should be raised for every band!!!	12/11/2020 8:58 AM
3	Q.2 is rather broad, as it covers parking, green waste and many other things.	12/10/2020 5:28 PM
4	Cycle and walking routes should be given special attention including a cycle way along the old railway line to Kemble Station (as listed in the local plan). This would be a major green addition as set out in Govt's policies.	12/10/2020 11:15 AM
5	Stop this affordable housing bollocks and stop over developing Moreton. Nobody wants it and you keep ignoring us	12/10/2020 7:43 AM
6	I have two major comments. Firstly, your plan states that you intend to spend almost £250K per year on "reviewing our local plan". You cannot possibly be saying that an administrative procedure can cost that amount, over actually spending money on real things, like affordable housing, pavement maintenance and the like. Secondly, you have effectively increased the cost of the Green Bin licence by over 100% this year. There were no collections for two months at the start of the current pandemic restrictions, and then you reduced collections from weekly to bi-weekly. If you're going to reduce the service by over 50%, you should at least reduce the cost by a similar amount. I'm happy to accept an inflationary increase, but not over 100%.	12/9/2020 11:42 AM
7	Towns such as Fairford which have suffered a lot of housing development in recent years need to see some benefit in terms of improved local infrastructure provision from all the New Homes Bonus the Council has received for all this development.	12/9/2020 9:53 AM
8	Please invest in local road signage. Small thing maybe but it improves local pride and says a lot about an area	12/9/2020 8:07 AM
9	What are the deliverables of this plan?	12/8/2020 10:15 PM
10	The amount suggested for the recovery investment strategy seems substantial and there is not sufficient description of the details of the proposals. It's all a bit vague.	12/8/2020 8:35 PM
11	Too much of the recovery plan appears to replicate national initiatives and responsibilities, and proposes spending on reviews, planning and consultation. Little practical is proposed, and much need well understood and known. Restoring weekly garden waste collections for rural areas in the growing season would be something practical and useful at DC level.	12/8/2020 7:58 PM
12	Charging at commercial levels is not lawful unless only at cost. Green travel needs to be reflected in public transport which currently is abysmal and not an option in many areas. Green vehicles are currently too expensive for many and acting in a way that discriminates against those not in a position to find a greener option is not an equitable solution to a bigger problem	12/8/2020 7:47 PM
13	climate change should be number 1	12/8/2020 6:49 PM
14	More budget towards fly tipping.	12/8/2020 1:29 PM
15	Invest in your own carbon reduction the advertise this to residents and encourage them to invest. Eg less car use, less use of gas - a real green recovery	12/8/2020 1:22 PM
16	Spend more on combatting climate change eg not just providing electric car hook-ups but discouraging the use of cars, making the town centres totally pedestrianised, become a plastic free area, plant more trees in towns & villages etc etc	12/8/2020 1:15 PM
17	It's important that these initiatives are not just focussed on the south of the district i.e Cirencester and also consider what neighbouring councils are doing.	12/8/2020 11:47 AM
18	Historically, the public sector, including councils have proven themselves ill-equipped to make 'investment decisions'. A lack of experience normally results in poor outcomes, which ultimately the tax payer has to pick up the tab for.	12/8/2020 9:18 AM

19	I would like to see as much money as possible put into green travel. Don't just support rich people to get electric cars. We need more buses and cycling routes too.	12/8/2020 9:07 AM
20	the recovery investment plan states the principles but not how, when and to who the money goes and that could mean a shed load of outside consultants fees which would be wrong. The council should have these skills in people inhouse	12/8/2020 2:48 AM
21	Not enough strategy or planning to regulate the nature of business development in significant tourist spots in the Cotswolds to ensure diversity and to ensure priority given to balance the way permissions are granted to ensure a good proportion of shops serve local communities. Not enough protection for communities against over-tourism. No mention at all about the truly disgraceful state of the roads in the North Cotswolds. Not enough funding for the real needs of rural communities such as better health care services within the community, especially since Coronavirus, where there is very little proactive outreach from local health practices to support mental health, isolation and those who want help but have been discouraged through actions of local healthcare practitioners. Time to budget for wellbeing after this terrible year because without this, notions that suggest self-congratulatory motives are meaningless.	12/7/2020 10:06 PM
22	The wording of the document is geared towards getting the answers you are seeking not the actual merits or otherwise of proposed actions	12/7/2020 6:57 PM
23	Make sure green agendas have tangible / realistic outcomes. Promote pedestrians over vehicles further. Reduce exhaust & noise pollution in Cirencester urban region by rationalising vehicle speed to improve community health	12/7/2020 6:40 PM
24	I feel that you are wasting a lot of moneys in bringing in all sorts of experts particularly in areas which are covered by county council responsibility.	12/7/2020 5:01 PM
25	I am all for the CDC to be run in a business like manner I do not wish it to invest for the production of cash.	12/7/2020 4:23 PM
26	The council has no right to impose tax in creases. We are taxed enough as it is.	12/7/2020 3:20 PM
27	Services should be included within council tax not additional.	12/7/2020 1:49 PM
28	We would like to see CDC working with other LA's and business like ours to put buses at a higher priority in your green plans. Cycles and scooters are not suitable for longer journeys, carrying shopping or when the weather is poor. Buses need to play a central role in Covid recovery and climate change solutions.	12/7/2020 12:44 PM
29	It would be nice as we live in the far edge of the county in Lechlade and on the border of two other dc's to see adequate investment in bus services to local towns. It would also be nice to have a recycling dump site nearer to us ,	12/7/2020 9:28 AM
30	Yes, performance is pathetic! Disposing of senior management suggests to me you are trying to get something through, that is against local interest. Your approach to Waterloo car park , 7 storey white elephant, highlighted how inept you are at management. Now a survey with loaded questions in the hope it will justify actions! No I do not want to be partnered with Stroud and Cheltenham! Disregard answers on 4 and 5 they are loaded questions that do not all ow option to advise you have nothing worth supporting. You are also trying to get support for giving money to private company - leisure centre. You really are beyond inept	12/7/2020 9:15 AM
31	A review of open spaces isn't enough. Our parks and toilet facilities put us to shame. Covid has highlighted how important green spaces are. Children and adults need these. Anbey grounds play park is tatty, invest like they have done in Pitville. No toilets near a play area ridiculous and needs sorting. Cycle ways and routes so children from Stratton can get to deer park and kingshill safely for the entire journey would be good. Parking in towns if had to be paid for (it should be free!) needs to be cash and card usage. Council tax rise understandable but not when proposing nearly a million on a review - are you mad?! Spend it on what's needed. £5 on a band D property how much on the others? The same?	12/7/2020 8:35 AM
32	I would support a higher increase of Council Tax	12/7/2020 3:08 AM
33	Maintaining green space should be a priority where possible. Something needs to be done about the large lorries & traffic entering the town, (air pollution etc) a look at bridge restriction perhaps? No more developments without infrastructure FIRST	12/6/2020 9:39 PM
34	The garden waste and recycling is a complete waste of money. Just get 2 wheelie bins and stop with all the bags. How can you charge more for garden waste but collect less? as for	12/6/2020 9:30 PM

	council tax it's a joke as it is really high and everyone is struggling to pay this year due to loss of earnings!	
35	Q2. We will charge for services.....but might subsidise some - this is hardly a decisive policy, rather it is indicative of the 'we don't really know what we will do' policies of the current elected council	12/6/2020 8:59 PM
36	Develop cycle routes around Cirencester Also old railway line to Tetbury as a safe cycle route	12/6/2020 4:18 PM
37	I already pay a ridiculous of council tax that I don't see the results for. Maybe you should but the Green issues on the back burner for the next 1-2 years and work at getting people back to work and supporting the Economy. The green issue is very important but at the moment the economy and keeping the Cotswolds going is far more important. .	12/6/2020 1:14 PM
38	Stop the building of properties in chipping campden for which there is insufficient support facilities such as roads, schools, doctors and this reduce commuting to larger towns where there is work and where properties should be built	12/6/2020 10:32 AM
39	Under no. 5 - greener ways to travel ... - decent footpaths on road would help, specifically Cirencester Road Tetbury where there has been huge new developments with no proper provision on an increasingly busy road for pedestrians. Also London Road from Cirencester Road to Audi roundabout.	12/6/2020 8:41 AM
40	I would like to see more active travel initiatives. The pedestrianisation of the town centre was great. I would like to see this expanded and improved upon.	12/5/2020 3:50 PM
41	There should be parking charges in the high street to limit the number of cars parked on curbside. Especially during pandemic as pedestrians have to walk in the road. And traffic free high street on market day	12/5/2020 3:10 PM
42	I think this survey is bewildering. It's clearly been written with preconceived ideas and with the intention of gaining support for them. This is not a public consultation at all - who writes this nonsense!	12/5/2020 2:09 PM
43	Generate more money from visitor parking and reduce council tax. Moreton-in-Marsh has large areas of free parking yet we are paying over £3000 a year for our 3 bedroom property in the town. Increase the size of cardboard waste bag in line with the plastic waste. With more home deliveries there's an increase in cardboard waste.	12/5/2020 2:07 PM
44	I support the raising of council tax, but would appreciate an explanation as to why this was levied against "average" houses but not the wealthier? I applaud any investments intended to reduce our carbon footprint. But only a very small fraction of the budget is dedicated to improving walking and cycling in Cirencester. Walking and cycling infrastructure is incredibly beneficial to all residents and is one of the most cost effective ways of tackling climate change, improving people's health, and social mobility. Improving walking and cycling provisions also massively benefits the local economy, which is more important than ever.	12/5/2020 2:04 PM
45	A rethink on how to re-vamp Cirencester Market Square as the retail trade plummets. The buildings should be returned to their original status of residential as well as commercial, with the latter being increasingly of a recreational or service nature. The market area itself is an enormous asset as an attractive social venue.	12/5/2020 11:49 AM
46	Very concerned about points 1,2 and 6 in particular. Would other budgets have not been shown here that would come out of my council tax?	12/5/2020 11:23 AM
47	What about the repair of roads (potholes)	12/5/2020 11:22 AM
48	Although I agree to an extent with charging in line with private companies I don't think there should be an increase in parking charges. The car parks are used by vulnerable and low income households as a necessity. They are also used by visitors and increasing charges could be a deterrent for them and therefore counteract the plan to help local businesses recover	12/5/2020 7:05 AM
49	There is no priority given to the needs of young people. Where was the needs assessment of the people in cotswolds DC area? Also learn how to write a question- q2 is so poorly written, it should be two questions- but you want to get certain answers to justify wasting our money and charging the people more....	12/5/2020 7:04 AM
50	All aspects of remedial work appear in the budget as Cirencester based projects when are you	12/4/2020 11:24 PM

going to get out of your offices and travel the Cotswold District to see issues that run far and wide such as the infrastructure around Moreton-in-Marsh where planning has been agreed for further houses. How will our roads cope when they are in a poor state let alone these new residents get services they require from doctors, schools etc. Green impact on transport will make no difference in Rural areas when you need a car or two or maybe three seeing as there are hardly any buses here and when you do get a bus it literally takes all day to get anywhere. As I say more thought needed for Rural communities. The council appear to have an awful lot of money to spend on social media (through a third party company when they have a communications department) and an Executive PA (very well paid)

51	Clean up the area!	12/4/2020 11:30 AM
52	£750,000 to review the local plan???? This is money that could be much more wisely spent. I think we already know what we all need to be doing to address climate change. This is a lot of money for a few small changes to the text. A motion to make climate impact a priority when considering new development would only take a vote, not £750,000	12/4/2020 7:26 AM
53	Higher council tax is a no no to expensive already and more help with financial hardship is needed especially at the moment with a lot of people in a hole at the moment with no job security	12/4/2020 1:22 AM
54	Stick by your parking plans. Get it built.	12/3/2020 11:24 PM
55	The green bin collection service on a bi weekly basis is insufficient to deal with demand. In general, the refuse collection service is poorly managed and executed. This needs attention. Far too much tax paid by rural communities to support towns, with none of the benefit.	12/3/2020 8:56 PM
56	I don' See it as CDC's job to provide financial support to individuals. Concrete initiatives eg helping businesses both stay open and start up will be more beneficial and improve mental health as a by product. Don't spread things too thinly.	12/3/2020 7:18 PM
57	As someone who has worked all the way through these confusing times it is frustrating that several people who will not be effected by the council tax increase, however small, because they have not worked at all before or through this crisis. I agree charging for car parking and green bin etc but those who do not pay council tax as in above get theirs subsidised so wont pay full anyway. How is it fair that we pay full council tax and face and increase and also have to pay double what someone on benefits does for a green bin licence? It should be the same charge for everyone regardless of income or none	12/3/2020 6:07 PM
58	0.75m for updating local plan and another 0.75 for green stuff but only 35k for fly tipping. This is a joke and I strongly disagree with your priorities. Increase the amounts to real issues and stop green washing Also absolutely no need for investment concepts such as property developments or energy companies - enough other local authorities have lost large amounts of money on these and you will be no different.	12/3/2020 5:33 PM
59	Why would you prioritise bus lanes when they use diesel and are practically empty why not look at smaller electric vehicles	12/3/2020 4:42 PM
60	no	12/3/2020 7:09 AM
61	More needs to be done to prevent the brain drain and allow younger people to afford to stay living in the area they grew up. (Made worse by covid and the exodus from Cities to the area.) Regulations needed to control second home ownership and to prevent investors buying large numbers of the district's new houses preventing locals from buying them, pushing up the prices and forcing many people to get trapped renting at overly inflated prices. This prevents young people from being able to save to buy a house.	12/2/2020 10:59 PM
62	Less time and money need to be spent on a 'green' recovery. This time and effort must be spent on revitalising and rebuilding the obliterated local economy. Bar St James Place, all local businesses (primarily traditional retailers) are facing insurmountable challenges. Providing 'green' infrastructure at this point of time is of no benefit to anyone locally in the grand scheme of climate change and the economy. Money should be spent on rate cuts and grants for assisting struggling local business. Then in time, money and effort can be spent on bamboo busses, solar powered council lawn mowers and self composting public toilets (where soiling is encouraged).	12/2/2020 8:10 PM
63	.	12/2/2020 6:42 PM
64	We need electric vehicles to be cheaper. The batteries are an environmental waste problem.	12/1/2020 8:34 PM

Offices and buildings that are under used should be converted to council housing. Using council property to support climate change: solar panels on council properties and AS STANDARD on all new housing being built. LEAD THE WAY. Consider windmills and solar panels at schools and colleges and public buildings. Local plan needs review if it is to protect Cirencester's heritage: NO MULTI STOREY CAR PARK. Fly tipping: how about discrete skips - Tesco car park for instance-not all people can get to Fosse Cross. Trace flytippers and always prosecute. Green transport -yes -make sure cycle routes are included at The Steadings. Make buses smaller, cheaper and more frequent. User friendly too -(low step and hand rail). Social housing: £23,000 is not enough even to support one person with complex needs for any length of time. You haven't mentioned planting trees -this could be on grass verges on estates even if this makes it tricky to mow grass - trees are more important.

65	Creating a vibrant, social town centre is more important than anything stated within the council's proposals. This should come before any environmental action.	12/1/2020 6:50 PM
66	It is hard to comment on "investments that will provide additional income to the Council to fund spending on our priorities" without more detail. Many councils have made big mistakes by investing in commercial properties. Seed corn funding for, say, a Business Improvement District does feel very appropriate.	12/1/2020 10:14 AM
67	Do not lose the Wold End Orchard to development of any sort that is not preserving the trees.	11/30/2020 6:47 PM
68	This survey does not permit alternative to be offered rather a rather 'spun' ability to give feedback! If you do not agree with any of the ranked options you are still forced into providing an answer!	11/30/2020 6:07 PM
69	Cutbacks in refuse services may be counter-productive and increase fly-tipping, particularly in green waste where the cost has doubled in real terms. A consultation may have told you that many of us might be willing to pay more, to keep a weekly collection, at least during the summer/autumn months. Cardboard too, is an issue. The new bags are smaller, and your teams no longer take any flat-packed excess that is left beside the bins, at a time when people are increasingly getting home-deliveries. Most of us are careful not to buy from companies that use predominantly plastic packaging, but disposal of recyclable cardboard is a problem. It is NOT a green solution to have to travel miles to a tip!	11/30/2020 2:31 PM
70	Don't want to see too much invested in 'consultants'. I would expect the councillors to be able to make these decisions. If they aren't capable then maybe invest in training for them so they become capable?	11/30/2020 12:11 PM
71	local towns and business need lots of support or we will lose our high streets which will massively affect the tourism industry, in turn affecting local employment. Lots of business support local charities that help communities so it is important to help these small mainly independent businesses get through the huge impact Covid 19 has had on them. Our whole tourism industry in the Cotswolds is at risk if hospitality and leisure business is not supported enough. Tourists won't visit the area if there's no where to eat or shop, our local appeal is many independent businesses that make up a huge part of our charm and keeps people returning year after year. Business owners are the ones who have suffered the most many not being able to pay themselves due to rules, they will give up without support, we need to help them get through this.	11/29/2020 2:29 PM
72	Electric Vehicles aren't that green. Battery production is damaging to the environment	11/28/2020 9:41 AM
73	Don't waste money !! Look at simple things like congestion, poor parking and actually make a difference. Tetbury is bloody ridiculous at the moment. Traffic is awful, it's cramped and continuously loud.	11/28/2020 6:34 AM
74	As a Lib Dem voter, I liked the policies you set out. So far the execution and delivery of the manifesto appears to be spend spend spend. This means residents in turn needing to pay more. With the current climate no one will afford to do anything, and everyone's pockets will soon combust - including CDC. I encourage you to think broader, longer term, strategic in the way you are working, what can be done differently at a better value? It feels like the whole authority is having a shake up, unnecessarily - it's lost its way somewhere. Everyone can raise their service/product prices to keep the wheels turning, but that's lazy leadership... but residents aren't silly and they won't come back (and vote) again!	11/27/2020 2:37 PM
75	Please stop cross-subsidising "Green" crap. Why should I have to pay to make middle-class fannies feel better about themselves.	11/27/2020 9:33 AM

76	Hold back on multistory car park until shopping patterns clear; similar caution in borrowing for retail investment; but DO borrow for social housing; with GCC make a plan for rejuvenation of all market towns and taming the traffic therein (see lechlade neighbourhood plan); support leisure and learning services to young people and young families; oppose the government's new planning regime, which will be severely adverse to cotswolds	11/26/2020 4:25 PM
77	Suggest the £35,000 allocated to fighting against fly-tipping should be allocated (added) to the £23,000 towards helping individuals with complex needs, that are facing homelessness to access secure accommodation and support instead.	11/26/2020 10:12 AM
78	Sort out a better system for bins and recycling. Encourage and extend public transport. Introduce and enforce 20mph speed limits in tetbury. More council refuse/recycling facilities to stop fly tipping.	11/25/2020 9:39 PM
79	-Please pool forces with other councils to achieve economies of scale -Sort out pele-mele development which will negate all your green objectives -Protect/expand leisure centres especially POOLS!	11/25/2020 6:01 PM
80	I do not see the need for the Council to spend so much for electric vehicles unless they bring in a good investment return and are treated in line with what a private contractor would do.	11/25/2020 4:36 PM
81	I think there is too much spending on the climate agenda. It is a noble cause but the proportion is too high. Spending should go on planning and the encouragement of creating beautiful places that are a benefit to the community, areas that people want to live in and are not sprawling, high density developments.	11/25/2020 4:10 PM
82	Please prioritise spending on public transport, walking and cycling about spending on EVs. They are not environmentally friendly.	11/25/2020 1:26 PM
83	Green transport you have talked about it for years but have not done anything, scrap the multi storey car park not longer needed!	11/25/2020 12:32 PM
84	Review the recently new housing estates and check if they meet the needs of the incomers to the area, blending the communities in to the older settled areas. Think about education, health and work potential and how to get social cohesion to the benefit of all. Feedback to us how successful, or not, the new investment in recycling has been. Use the covid experiences to unleash voluntary support for your efforts in building strong vibrant society. Thank you for consulting!	11/25/2020 8:01 AM
85	There shouldn't be any homeless people on the streets. Prioritise affordable and accessible homes for all.	11/24/2020 11:45 PM
86	I would like to see specific commitment to preserving priority habitats. (wild areas, orchards, wetlands etc.)	11/24/2020 9:24 PM
87	People who can't afford private charges will stop using services, leaving them nowhere to turn and the council short of money	11/24/2020 3:27 PM
88	Council staff wages are completely excessive and the money would be better spent elsewhere. Works completed by the council are inefficient and overpriced. I'm glad you're looking at consulting on your spending to make it more efficient but I'm not glad that you're giving tax payers money to a consultancy firm when anyone with any common sense could do the same. You seem very keen to spend our money (and keep asking us for more with tax increases) but most of it is spent on vanity projects.	11/24/2020 10:18 AM
89	I worked in financial services all my career and your numbers are simply unrealistic. Councils should stick to their primary function, and not borrow to fund 'commercial' investments. The increase in council tax is being spent on additional resources rather than making savings. If you are confident of long term profit from these irresponsible investments, please do the borrowing in your name against your properties and not mine!	11/24/2020 10:03 AM
90	The plan makes no mention of what for most people is the paramount consideraton - their ability to pay. As a pensioner living on a small fixed income the approach of fixing a budget and assuming people are able to pay for it is not realistic in the current economic circumstances in the UK. Many people are not receiving any pay rises at all and even people like me living on pension are relatively heavily taxed. Dreaming up spending plans without assessing the ability of people to pay is unrealistic and oppressive.	11/23/2020 7:01 PM
91	Would like some "quick wins" on green issues; don't reinvent the wheel if you already know	11/23/2020 5:37 PM

what can be done, act now. Missed opportunity on incorporating energy efficient systems in new development in Avening. Cap salaries for proposed new climate officers etc.

92	Lower business rates to stop shops closing and reduce parking fees to encourage people into town	11/23/2020 3:14 PM
93	We should be supporting people trying to own their own properties not supporting renting. Where the money ends up in the hands of private landlords.	11/21/2020 2:18 PM
94	Future Car Parking Mechanisms: if there is a move towards cashless payment, provision needs to be made for those who would normally only pay by cash. I propose making it possible for local residents (and others ideally) to purchase payment cards at say £10/£20 each which can be used at car parks. This would overcome barriers for those without credit or debit cards.	11/21/2020 11:33 AM
95	As house prices continue to rise in the Cotswold, provision of social and affordable housing for local people is critical. Housing development should be about improving existing communities making them more sustainable, not just about building more houses.	11/20/2020 4:45 PM
96	Borrowing for "investment" at unrealistic rates of return and naively optimistic future interest rates is not a good use of council tax. Paying excessive fees to "consultants" is also not a good use of funds. Focussing on homelessness and social care would be a better use of Council funds and adopting more critical attitude to 'development' and placing community needs and wishes ahead of the commercial opportunism of current developments would serve Lib Dem ideals and the community better.	11/19/2020 6:30 PM
97	na	11/19/2020 12:56 PM
98	I don't feel it is appropriate for the council to increase tax in a period where the pandemic is impacting large swathes of individual. I also think it is short sighted to propose a tax increase until we know what support if any is coming from central government and equally what potential tax and charges will be driven by central government to fund the pandemic response. I take particular issue with the council's proposed funding priorities, in particular: 1) Updating the local plan. The local plan was only just signed off in 2018 and it seems that we are now revisiting agreed decisions only because of a change in council governance. In my mind the Local Plan should transcend election gains and losses as it is something that is a strategy to work with. I think spending 750k on this is a waste of taxpayer money for what is in essence a documentation exercise. 2) Green plan: The details that are provided for green plan investment seem to duplicate those that are already being developed in industry or what should be part and parcel of continuous improvement of the district council. As an EV owner, there are several initiatives by Shell and BP to provide charging stations and equally any charging infrastructure could be better developed in a public/private partnership vs the council making investment. We shouldn't have to pay for what are real estate disposal decisions or where investment is already duplicated. 3) Charging in line with private: This is a facetious argument in my view as the council has already made capital investment in these services and are provided for the good of council residents. If the council feels that they cannot manage these for the good of the council and taxpayers at a fair rate, and want to charge commercial rates for these activities I would suggest that they divest this activity to commercial concerns and allow them to run in the market. In that case, the council could achieve a windfall in divesting assets to cover off some of the other issues and then respond in regulating the market.	11/19/2020 10:02 AM
99	It's incredibly reassuring that the council is committing to tackling climate as its number one priority.	11/18/2020 9:18 PM
100	It's incredibly reassuring that the council is committing to tackling climate as its number one priority.	11/18/2020 9:17 PM
101	More frequent litter picks of all our road sides, and to include surrounding villages. Stop the surrounding countryside being used as a dumping ground for fly tippers. Install cameras in lay-bys to catch culprit's & install bins in all lay bys	11/18/2020 5:00 PM
102	Youth services (youth clubs) are non existent in Cirencester. Why ? Given it's population size, please sort this out. Is there not a big chunk of cash coming from Bathurst Development Limited for the new mega estate, that could pay for this sort of thing ?	11/18/2020 3:42 PM
103	spending £740,000 over the next three years towards reviewing our local plan is way too much	11/18/2020 1:45 PM
104	Will the council be as reactive as the private sector it continue with local government foot dragging, over manning and general incompetence	11/18/2020 11:54 AM

105	You will need more than £100,000 to invest in greener routes including footpaths and cycleways.	11/18/2020 10:22 AM
106	The council is NOT a PLC and should not budget for operating as if it is. People will return to the town for shopping or social if they don't feel like they are being fleeced for parking. How about using school carparks as Park n Ride hubs at weekends? What about lower business rates for those who install solar on their premises roofs? What about actually getting on with the regeneration of the Cirencester to Kemble light railway and if that's too difficult just clear and prepare it for use by bikes and pedestrians? Let's have tangible easy gains. Do the proposed reviews using CDC staff and not consulting firms who will charge exorbitant fees for telling you what your own organisation can determine.....or make sure that the recommendations are positive performance linked: No improvement no payment. Instead of raising council tax across the board raise the council tax on 2nd homes that are weekend escapes for wealthy city types - be careful to ensure that legit 2nd properties that are rented to locals are not penalised or else that cost will be passed on to the Tennant. Turn street lights off or at least dim them after midnight. Keep the recycling centre open 7 days a week and tailor charges in such a way that (small builder/garden businesses main culprits) encourage fly tippers to use tip/RCC - Heavily fine, and I mean heavily fine and name and shame offenders.	11/18/2020 9:00 AM
107	Yes but far more than I can type in here. I shall email Mr Harris with my detailed comments	11/17/2020 10:15 PM
108	The council should not attempt to take the place of national government e.g. energy generation, electric car charging points, welfare provision. Nor it should it think it can pick business winners. It should instead concentrate on its core services. Why is the Local Plan being reviewed, surely a waste of large amounts of resource.	11/17/2020 8:38 PM
109	I appreciate Council's past performance in minimizing council tax and don't want to see this good work wasted on worthless publicly funded endeavors. Keep things as they are. Don't try to reinvent the wheel.	11/17/2020 3:10 PM
110	Definitely with new build houses and green open spaces. We are having a nightmare on the Cotswold gate estate!!!!	11/16/2020 6:50 PM
111	Open your offices during COVID-19	11/16/2020 3:07 PM
112	It would help if you provided details of your total planned expenditure which including included normal operating costs. If you add up the total cost of the budgeted proposals for 20/21 that comes to £1.25 million but yet the full cost of running CDC would appear to be in the region of £28 million. Where is the difference spent?	11/16/2020 2:53 PM
113	Continue to keep residents informed	11/16/2020 12:09 PM
114	DO NOT increase my council tax to pay for your review on open spaces in new builds when it was the work of people on my estate, Bourton Chase which brought this issue to your attention yet you STILL REFUSED to adopt us and instead let us be embedded with a management company which we can NEVER get rid of. YOU know its wrong yet you will allow us to pay the owner of the open spaces around our homes to maintain them yet ANYONE can use and abuse them. WE on Bourton Chase should have a council tax reduction to now cover our management fee. I'd rather you make sure builder build houses to proper spec and to the promises builder makes. BLOOR LIE to us repeatedly and refuse to fix our house to the standard we signed for. Why not help us?	11/15/2020 10:38 PM
115	Far far too much emphasis on 'green' initiatives, that will have little to no impact on local peoples' lives apart from making getting around the area much more inconvenient. I can't believe that is the bulk of spending, we have so many more local priorities than making a tiny change to a small proportion of the world's emissions. Please think again.	11/15/2020 4:57 PM
116	You have no need to waste money locally on green strategies - let National Government set the priorities and then assure adherence to them. Green strategies will not work in the Cotswolds (travel for example) as we are too thinly populated and there is too much isolation. And forget businesses - the strong will survive, the weak will fail and commerce will re-invent itself to meet what consumers want. Councils and Governments at every level are in general the worst business folk around - not a clue. Support the creation of the Cotswolds National Park - that will solve many of the issues that you are trying to solve in other ways. Support the building of a new town of affordable properties rather than continually trying to force affordability onto a market that doesn't want it. Sort out the balance between the North Cotswolds and the South. Not everyone lives in Cirencester and the imbalance is starting to become embarrassing for you.	11/15/2020 2:48 PM

117	Agree totally with the current approach	11/15/2020 12:30 PM
118	If you're charging for services like a private company then all services should be charged that way and therefore Council tax should go down	11/15/2020 12:06 PM
119	I would like to see some investment in our civic pride- tidying up verges. Replacing signs, more planters and flowers in our towns. The state of the roundabouts on approach are woeful. Think it would help prevent fly tipping, graffiti, ASB and littering. Research has shown this over many years. High levels of pride create high emotional energy and we are sorely in need of that right now! We are the Cotswolds after all! Our Prime Minister might not think appearance is important but I'm inclined to disagree!	11/15/2020 11:10 AM
120	Many	11/13/2020 10:02 PM
121	The council should do more to tidy up the area. Need better street cleaning and action on dog shit.	11/13/2020 1:36 PM
122	I'd like to see more emphasis on supporting green technology and agritech businesses in the Cotswolds. Let's make the Cotswolds a European hub of green technology by encouraging start-up businesses to relocate to the area, provide jobs for our youth and encourage them to stay in the area. Partner with the RAC and the several Technology business leaders we have in the area.	11/13/2020 9:45 AM
123	As usual - 'grand ideas' rather than focusing on what are community really needs at this time. Cirencester is in a state of decline we need an innovative approach to redress this not a commitment to spend £750k on 'this' & £740k on 'that'. If our major centre 'dies' we have lost almost everything. The continual focus on maximising return from car parking is idiocy in these circumstances - come to Cirencester, pay a small fortune to park your car & then admire the number of empty shops in our centre - a thrilling day out !	11/13/2020 8:29 AM
124	We can't afford a green agenda if the local economy is decimated and we continue to have so many empty retail units unless the council encourages non retail/non service industry growth!	11/13/2020 7:34 AM
125	You seem to think that things can be improved by your intervention. You are wrong. Let taxpayers spend more of their own money, and let businesses operate free from council interference. That's the only way the economy will recover.	11/12/2020 10:54 PM
126	Delighted to see green issues getting investment.	11/12/2020 5:07 PM
127	its always easy to spend other peoples money. If councils had to earn it rather than get given it. its resources would be better utilised	11/12/2020 10:30 AM
128	Charging at commercial rates for services that generate a public good (eg waste collection) feels wrong. I was disappointed not to see greater emphasis on homelessness in your priorities. Given the competing pressures you face, I'm not sure a district council's resources are best used trying to tackle climate change.	11/12/2020 7:45 AM
129	If we take question six you list four key principles of the Recovery Investment Strategy and then ask whether I agree or disagree. For most respondees there are some of those four principles that they agree with and some they do not, lumping them all together with a binary agree / disagree does not allow respondees to effectively give their views on this consultation. This also applies to Question 2. As such I would say at best this consultation and its questions are poorly framed and worst this could give very misleading and inaccurate responses to the consultation, questioning its validity as a proper consultation and open it to future challenge.	11/11/2020 2:24 PM
130	Get rid of Fleecehold new developments so all public areas are maintained by local councils. Property management companies are incompetent, have no interest in delivering a quality service and represent exceptionally poor value for money for residents. Also enforce planning stipulations for bat boxes, trees etc 3.5 years on these things still haven't been delivered on our development.	11/11/2020 1:42 PM
131	Need more detail about the charging for public services. It is not clear what this means	11/11/2020 12:14 PM
132	Do whatever you can to reduce car usage and encourage less meat consumption. We cycle everywhere but the infrastructure is non existent. Studies show time and again that if the infrastructure is there the cyclists come	11/11/2020 6:54 AM
133	Please do not start charging for parking. You would do well to look at examples of other rural	11/10/2020 8:45 PM

car parks that charge e.g. The Stannage Plantation car park in the Peak District National Park. A car parking provision, that always stands virtually empty, even on the busiest weekends, with the verges in the surrounding area being churned into unsightly muddy strips and access for emergency vehicles regularly compromised because people simply will not pay for parking. The narrow roads in the Cotswolds will only exaggerate these issues if people are dissuaded in any way from parking in car parks.

134	Your survey is skewed by the fact that the options in Q4 and Q5 can not all be marked as negative. Marking them in a sequence means that a false result must be achieved. This is flawed research! The whole idea of spending on consultant studies is mad, when has local govt. ever got value for money, consultancies run rings around you. Why waste my money on green initiatives, they should be paid for by the people who champion them. The whole idea of subsidised bus travel is a waste, busses run empty for 95% of the time. They are inconvenient and hopelessly inefficient in a rural area	11/10/2020 6:27 PM
135	Public open spaces on developments should not be paid for directly by the residents living on the development. All public land on developments should be adopted by the LA. New houses = additional council tax but owners get less service and ripped off by the developers and management companies	11/10/2020 2:18 PM
136	Electric car charging points need to be rolled out asap.	11/10/2020 12:47 PM
137	Give a fair share of the budget to be spent on the North of the region instead of spending overly large proportion on Cirencester where the Leader represents	11/10/2020 12:02 PM
138	I am concerned about why the local plan costs so much, what it actually delivers versus the cost. When there are excellent local plans check out "what good looks like?". We know what needs to be done in terms of delivering a green future. low energy/carbon neutral affordable homes built on brownfield sites or not in a flood plain in areas with good sustainable transport links near schools and shops to lower need for using cars etc. Promoting biodiversity and ensuring development pays for infrastructure (schools, Green transport links etc). We do not need to reinvent the wheel. I am also concerned that your proposals for actioning climate change are really wishy washy. I would support a higher council tax if there were concrete plans afoot, real investment, not money spent on planning. We know, again, what needs to be done. Investment is required - not plans. natural flood remedies (Jenny Phelps at FWAG is your friend here, also look at what is being done by the likes of Nature Capital - based in Woodmancote), significantly better public transport, cycle lanes (or lower speeds on single lane rural roads to ensure safety of cyclists), ensuring all housing built in the Cotswolds is carbon neutral, boosting biodiversity in all our green spaces (banning domestic pesticides or use of them in our public spaces), electric charging points everywhere. Replanting hedges, replanting trees, encouraging scrub, encouraging farmers to have wide field margins. Bella Heathcoat-Amory, Chedworth Parish Council	11/10/2020 11:14 AM
139	No	11/10/2020 10:53 AM
140	Don't shoot yourself in the foot over parking fees and payment methods that will stop local people and tourists coming into Cirencester. Keep it simple with payment options so local shops can continue to operate with paying customers.	11/10/2020 10:53 AM
141	I do not believe that the council should be spending its reserves on speculative investments. The money should be used to support the existing services rather than to increase the council tax.	11/9/2020 9:10 PM
142	With regards to new developments/maintaining their open spaces. This must fall under the council's remit. Simply washing your hands of it and allowing private companies to charge unchallenged "maintenance fees" is unacceptable and morally wrong. If a new development is passed under your stewardship it becomes your responsibility. If this affects council tax rates then so be it... although council tax is an outdated concept and needs to be scrapped, with a new property size percentage-based system implemented nationwide.	11/9/2020 8:20 PM
143	Your emphasis on climate change is worthy but you need to get away from the political wishes and emphasise practicalities e.g. be aware of the advantages of plastic usage versus paper (bags for instance) plus how about investing in leisure in the south Cotswolds? We regard CDC as Cirencester District Council - not Cotswold!	11/9/2020 3:22 PM
144	Open space in new build developments - Support on ensuring developers complete open spaces in line with specifications agreed at planning and maintain spaces at reasonable cost. E.g. At the large Miller Homes development in Tetbury, green spaces and landscaping are far	11/9/2020 2:33 PM

from complete, and the quality/maintenance of planting, dry stone walls etc are lacking compared to the specification in approved plans. Electric vehicles - Supporting infrastructure should be considered in all new residential development applications. Many of the recent new build estates have been designed with communal courtyard parking areas rather than individual driveways, meaning there would be very limited opportunity to retrofit charging points for individual households in future. Consideration of dedicated electric car charging bays at Council car parks may also help encourage deployment.

145	Do take into account small settlements which do not have a Parish Council and whose needs can be overlooked.	11/9/2020 12:15 PM
146	Maintaining green spaces should be for the benefits of biodiversity and native fauna. Not large sums of money spent cutting grass and destroying wildflowers. Native plants should be encourage where possible on any new development and hedgehog highways for all new builds.	11/9/2020 10:49 AM
147	Charging for services in line with private companies is not something i can get behind. Private companies are about profit - the council should not be. I have never been lucky enough to have children so my council tax pays for services I do not, nor ever will use - I have been subsidising others for years. A short-sighted approach - particularly for garden waste collections for those who live in villages - this is an essential service for those who work all week, for those who are elderly or have physical limitations.	11/9/2020 10:42 AM
148	Principal priority should be to provide support (financial and other) to those who are really suffering from a variety of causes. Maintain high standards in all council operations and revue whether all those operations need to be done by the council. ie do less but do it really well.	11/9/2020 9:34 AM
149	Ensure there is no further increase to councillors pay if there is to be another increase in council tax. Start doing what's good for the district and not what fits the party mandate.	11/9/2020 8:19 AM
150	Most of these projects will be centred on Cirencester, so their rates should increase, based on the concept of those who use pay. The green collections are diabolical, we pay more for a reduced service, which will only lead to fly tipping. Charge more by all means, but offer a half decent service in return. All recycling is badly handled, it shouldn't be necessary to sort it, use a single wheelie bin to collect and the recycle rate will increase. Make it easy to do!!	11/8/2020 11:47 PM
151	Car parking charges are crushing the local businesses, at a time when we need locals and others to support. I can only imagine these increases are making up for the losses from the lack of season tickets by employees now working from home and not required to travel to the office. To gain, locals as always are affected rather than multi million pound financial businesses. I would like more openness and honesty from our councils. I spend a lot in the town, yet I constantly get hit with increasing charges of which some are underhand - i. E. I used the mipermit app which was greg for anticipating when i would need to extend car parking, yet the newest app does not allow you to enter a time to start, sometimes when you are in the dentist it is difficult to stop at the exact moment you need to use the app to increase parking, therefore you end up having to put more on than you actually need (underhand tactics to make more money or not understanding fully your uaeer base against the functionality provided). Key part of making changes that I never see from the council.	11/8/2020 9:36 PM
152	I strongly believe that most people believe that we all see an increase in our council taxes with ever lowering of service standards. We do not see any significant changes provided and we all wonder where all if the money is actually being spent. The basic core services should be provided to a good standard before wasting any money on projects.	11/8/2020 8:22 PM
153	The road between south cerney and Cirencester can only be safely navigated in a car, the speed limit is 40-50mph and cars can often be seen exceeding this. The road would benefit hugely from a cycle/pedestrian path, not only would it be safer but could also see more people cycle/walk to Cirencester/South Cerney, making people fitter to tackle COVID (or other diseases) whilst also being greener for the environment. The amount of traffic on this road must surely justify it.	11/8/2020 7:41 PM
154	More safe bike routes and trails are needed and I look forward to seeing the plans with these goals in mind	11/8/2020 5:42 PM
155	There needs to be less spending of money on things that are not needed at the moment like new street signs etc. The waste of £500k from the abandoned car park needs to be explained and addressed. More support given to driving people into the Town centre to support small local businesses	11/8/2020 5:06 PM

156	The Cotswolds is truly awful for green alternatives to travel between population centres and it is only safe to do so by car. Even between South Cerney which is a visitor hotspot and Cirencester there are no safe cycle routes. If you cannot install cycle routes, put speed cameras on the roads to force people to drive at the speed limit. There are near misses on a daily basis and I know most people choose to drive because they do not feel safe on a bicycle.	11/8/2020 4:32 PM
157	Charging for parking will be hugely detrimental to Cirencester. Free parking is a huge draw for people to spend more time and therefore money in town which is better for shops and ultimately the council. Council tax does not present value for money as it is so increasing that will not be received well but we get no choice. Green travel initiatives and environmental policies are hugely important but make your money through efficiency in action (something councils are rubbish at) not through rinsing residents	11/8/2020 3:45 PM
158	The link between Cirencester and Kemble should be a cycle and walkway. This should then extend to Tetbury.	11/8/2020 3:27 PM
159	While encouraging people to use electric vehicles is a good idea I think it this is not an affordable option for a lot of people. I would think putting the councils efforts into encouraging businesses to become greener would be a better way to tackle climate change. Having said that I welcome the green travel proposal. I know many people, including myself, who would cycle rather than drive short to medium journeys if there were cycle paths joining up the towns e.g Tetbury/ Malmesbury/Cirencester	11/8/2020 2:37 PM
160	Restrict expenditure on consultants who are often not cost effective while council officers should do the work utilising experience and examples from private organisations or other councils!	11/8/2020 2:22 PM
161	Over the past few months you have asked a number of times about making it easier for people and cyclists to get around - please act on those surveys and put people before cars.	11/8/2020 2:19 PM
162	Safe cycle routes from Stratton to schools and town should be prioritised. Currently the cycle paths fall short, ending at the Texaco Garage. Encouraging the younger generation to adopt cycling to commute and not getting lifts from parents will help the air quality in the town and develop healthier people with healthier habits to protect their environment. When the schools are closed for holidays the traffic is reduced drastically.	11/8/2020 12:50 PM
163	Free and better parking in the town to support the high street	11/8/2020 12:49 PM
164	My council tax went up £5 PER month this current tax year!! You want increase it again?? Shocking. I will not be voting for this party again	11/8/2020 12:47 PM
165	The council tax has been historically low because of good budget management. We do not need expensive consultants to see where our money is invested. At the moment people are working from home. BUT eventually this will increase mental health problems, we are social animals that need contact with other human beings. Closing offices is short termism. Perhaps the Council needs to realise we are a rural community. It is unrealistic to expect people to "cycle" to Cirencester from outlying towns and villages, increasing parking charges will do nothing to assist businesses, it will in fact have the reverse effect. I would go as far to say that all parking should be free for 3 hours. Encouragement is required to get people back into shops, not the discouraging policies you are proposing. This budget you are proposing is ok for a big city but as stipulated earlier, we are a rural community. This is a disgraceful attack on our way of life. How about increasing the council tax by 1.00 for all not just attack the band d ratepayers. After all, everyone has access to the same services. This administration cannot be trusted, it goes on about green ways, then has a video showing a councillor getting into his gas guzzling vehicle to go to a shop which is very walkable. I absolutely disagree with the proposal. I'm especially disappointed bearing in mind this administration gained my vote. I can assure you it will not be getting it again. Should these proposals go ahead, it's a fact they cannot be reversed. NO	11/8/2020 12:44 PM
166	Private companies charge with the intention of making a profit. The intention of Cotswold District Council should be to break even when making charges which are specific to individuals rather than the whole community.	11/8/2020 12:20 PM
167	Council tax needs to stop increasing. It gets increased all The time and we never get any benefit of where our money is going. Always talk of things happening that never actually take place	11/8/2020 12:13 PM

168	Finally you're planning to invest in a greener way to travel around the area. Please please invest in good cycling routes.	11/8/2020 11:49 AM
169	Why does the local plan need reviewing when it has only recently been made? How can green issues be worth investing almost twice the amount of COVID recovery, when this is the worst world disaster in current times. A little more balance is required. There is no reference to the borrowing proposed? Is this an oversight?	11/7/2020 2:14 PM
170	Encouraging green development is a high priority, new homes should be heated by renewable energy. More should be done to assist and encourage investment in improving existing houses. The recent green deal showed no approved installers available in the area	11/7/2020 2:12 PM
171	Only a small amount of the budget is for people in financial hardship, homelessness and for complex needs. More funding needs to be allocated for this.	11/7/2020 1:03 PM
172	I would like the Council to do more to make our towns and villages clean and tidy and to improve signage - street signs and signs in the car parks are often broken, missing or looking very tired.	11/7/2020 11:58 AM
173	As long as Council Tax increase is limited to £5. Don't agree with the borrowing required for Q6, neither do I recognise a need for much of this	11/7/2020 10:33 AM
174	I would be wary of using contractors to help make the council more efficient, because it feels like a lot of initial outlay if you could get the same ideas from other councils. In terms of making housing affordable for local people, I wonder if it might be time to introduce locals-only, primary-residence restrictions in the areas worst hit by rising house prices due to second homes/holiday rentals. I would also like to see some investment in businesses that benefit locals. In Bourton on the Water, I can walk in to the village and buy a fridge magnet from at least five shops, but there's no butcher or greengrocer. I feel that these are the kinds of shops locals could benefit from, and tourists staying in the village on holiday would also use. The Co Op is fantastic, and does source more local meat and veg, but it would be useful to have a more specialist shop.	11/7/2020 9:25 AM
175	Council Tax is already cripplingly high especially for single person households.	11/7/2020 1:09 AM
176	The county needs to protect its most vulnerable people, and ensure that green policies take a high priority.	11/6/2020 11:20 PM
177	Sadly it is the people who are just above the benefit line that suffer most. With no help from any benefits we are worse off as a couple than a couple who chose not to go to work. The first lockdown used all of our savings because we earned just enough to cover our bills, sadly this did not take into consideration our fuel and food. Stop raising taxes and support more people who go to work.	11/6/2020 9:26 PM
178	"investments that will provide additional income to the Council to fund spending on our priorities" - is good as long as they are safe investments and that the cost of doing it doesn't outweigh the money it brings in, especially any commercial property which has a very uncertain future.	11/6/2020 6:54 PM
179	Please, please prioritise space for cycling and walking.	11/6/2020 4:07 PM
180	You've been in control for 2 years and have put council tax up twice. You've put car parks up and wasted 500k on a multi-storey you won't build. It's all good and well trying to be 'green' but there are lots of people who can't afford your middle-class priorities funded by constant tax rises and poor decisions. Sort it out!	11/6/2020 3:47 PM
181	Re opening the toilets in the Abbey grounds. Repairs to uneven pavements. Removal of parking charges to entice people to shop in Cirencester and new business to open here. Clean up of green areas including Abbey grounds which requires repairs on tarmac pathways and playground area. Move on the already agreed plans for a cinema. Start the building of larger carpark in the Waterloo. Move the bus stops near the police station as dangerous for people crossing. Put in larger speed signs implement a camera fine system on cricklade street to stop vehicles driving down during the excluded hours and days invest in CCTV in town to stop vandalism and thefts. Po	11/6/2020 3:23 PM
182	Do not over-invest in electric car technology over other simpler, cheaper, and more accessible ways of travelling green (with regard to projects for greener ways to travel). Electric cars, while important, are not accessible options for many people and charging points can be very expensive. Supporting and making it safe for people to walk and cycle by investing in	11/6/2020 1:58 PM

pedestrian areas and bike lanes is a cheaper way of supporting a green transition that also improves the wellbeing of communities.

183	I believe town centre residents who must use public car parks should be given a parking permit (24/7) for 1 vehicle per household and then pay for yearly permits for additional vehicles.	11/6/2020 12:23 PM
184	Council should concentrate on value for money services to the taxpayer that funds them. Wasting money in a time when people live in uncertainty is not wise and an extremely poor management decision.	11/6/2020 11:34 AM
185	The Local Plan is taking far too long and costing far too much. It can never be totally up to date. Just get on and implement it. Another 3 years will see disastrous effects on the area	11/6/2020 9:42 AM
186	Whilst I agree with many of your suggestions and would otherwise be more positive, I fundamentally disagree with you charging for services in line with private companies. You should seek to recover costs as a maximum - period!	11/5/2020 7:52 PM
187	I don't agree with charging for services at private company rates when one has already paid towards the service via local taxation	11/5/2020 4:58 PM
188	levelling the playing field in a green recovery, so that everybody has the opportunity to engage in active sustainability Equally! & it stops being an act rooted in Privilege.	11/5/2020 3:05 PM
189	I strongly object to paying for the collection of garden waste, I already pay for waste collection which in my view should include garden waste. It doesn't make any sense because it encourages the burning of garden waste, which is widespread through the district and increases both particulate pollution and carbon release and it also increases waste destined for landfill because many people simply bag garden waste and include it in the household waste bins. Charging for garden waste collection is thereby at odds with your climate change objectives. Secondly, I strongly object to bailing out the private company running the leisure centres, they haven't been as good since you outsourced their running. I've tried going back twice since the service was outsourced but it's longer the same so I gave up after 3 months despite living within a couple of minutes walk of the Bourton leisure centre. Thirdly, if you intend to assist local business to help develop the local economy then that should include a rethink about what local people need instead of pandering to the tourism. This outbreak has taught us that there is an appetite for local goods and services for local people which often differ from provision for tourism. Tourism has increased traffic in Bourton to an unsustainable level.	11/5/2020 2:29 PM
190	Your plan to borrow £54 million to make commercial investments and build more houses is madness! I totally disagree with it!	11/5/2020 11:13 AM
191	The questions are designed to get the answers you want. They are not qualified by how much it will all cost individual taxpayers.	11/5/2020 10:43 AM
192	Aren't climate change and green initiatives indirectly the same thing so should come out of a single budget	11/5/2020 7:42 AM
193	The Council is too greedy. Willing to sacrifice the beauty of the AONB in order to take the money of developers. The Council should take more care of tax payers - dealing with anti social behaviour and speeding vehicles whizzing through tiny streets. Get your house in order with dealing with these issues instead of climbing into the pocket of house builders cramming our beautiful Cotswolds with sub standard housing.	11/4/2020 10:24 PM
194	Exercise is really important for physical health. And getting out (outside of lockdown) is good for mental health. However, I cannot fathom why Councillors feel it is acceptable to hand out money to private companies such as Everybody Active and the Barn Theatre. Whilst there is an argument to make that these services improve physical and mental health, why should our money be spent on companies where shareholders are still collecting fat cat pay outs. The Council has obviously lost money, like every business, during this pandemic. However to give money away to friends of the Councillors smacks of "jobs for the boys". Where is the transparency?	11/4/2020 9:41 PM
195	£100,000 over two years for green travel will not cover very much. Would suggest it is equivalent of a share of whatever was allocated for the Waterloo car park redevelopment. Still no detail as to what is being done during the one year "pause" on this project...	11/4/2020 9:30 PM
196	Electric charging points. All owners of electric vehicles will have the ability to charge at home. Any journey within CDC area will not require a recharge, therefore the only people who will	11/4/2020 1:58 PM

benefit from this policy are non residents travelling into the area, why is my council tax being spent to benefit non residents?

Other responses to the consultation

1) Weston sub-Edge Parish Council

CDC Budget Consultation – Budget 2021/202

Weston sub-Edge Parish Council has the following comments against the CDC budget documentation issued in mid-November 2020

“Our Plan”

£750k allocation to climate change

No problem with the principle but difficult to comment when there is no detail.

Eg Electrical charging points – What is the plan? ie How many, where, and when will they be available? How much money is allocated?

Time frame for the review of offices etc – when will a report be available and how much will the production of the report cost? How much of the spend will go to external consultants?

Who is responsible and accountable for identifying the use of assets to support the climate strategy. How are the deliverables defined? What is the time scale? What is the spend?

What cost reduction targets have been set to provide funding in support of climate action?

Accountability, how much by when?

£740k over 3 years to review (and presumably revise?) the local plan

The need is accepted but there should be a costed plan with an accountable officer and councillor to deliver in place together with milestones to demonstrate sufficient progress,

particularly as last budget £850k was allocated for this purpose but was not spent in its entirety. Response to the question indicated that the £740k is a carry over of underspend

from last year. How is the money to be spent this year? How much is with external

consultants?

£100k over 2 years to develop better, greener transport options.

Again, no problem with the principle, but what will be delivered?

What is the costed plan with deliverables, time scale and accountability?

How much external spend?

£23k towards helping people with complex needs.

No problem with the principle.

How exactly will the money be spent?

£350k over 3 years to fund the investment strategy

Great in principle but where is the detail?

The overriding comment is that the Plan is not a plan, but a list of areas of activity with some allocation of funds. Plans have clearly defined objectives and deliverables with how they will be achieved. It is impossible to comment sensibly on the budget without any detail. It also seems odd that you are consulting on a supposed budget without knowledge of HMG funding.

The so called "Plan" is not a plan, since it is impossible to determine what the deliverables of the Plan are: as last year, it is a "wish list" exemplified that little progress was made against the local plan review.

It is disappointing that the electorate is expected to tolerate an increase in council tax without being told what they will get for the increase.

The survey associated with the provided budget documentation seems to be a survey for the electorate to agree the priority areas for spend and nothing more.

The CDC budgetary session 24 November was billed as a Q&A session. However, there was limited time for a Q&A session since the bulk of the time was taken presenting the already distributed information with some amplification. It is reasonable to assume that the attendees would have read the documentation, had discussions in the case of town and parish councils, and prepared questions accordingly. The opportunity to challenge any of CDC's responses to any of the questions was not available so no discussions were possible.

"As part of the Budget Consultation we would like to invite Town and Parish Councillors and Clerks to a live Q&A session about the proposed 2021/22 budget with Cllr Mike Every, Deputy Leader and Cabinet Member for Finance and Jenny Poole, our Chief Finance Officer."

In the absence of any other opportunity to discuss "Our Plan" Weston sub-Edge Parish Council would welcome a response.

Weston sub-Edge Parish Council

03 December 2020

wseparishclerk@gmail.com

2) Email received:

"Do you have to pay to use The Barn for some of your discussions? If so why not use the council chamber? Might be a saving there?"

3) Email Received (**Feedback in red text**)

Climate change

£750,000 towards addressing climate change. Kickstarting our action plan to make the Cotswold district “green to the core”. Including:

- encouraging residents to switch to electric vehicles by delivering charging points
- Reviewing our use of offices and buildings as large numbers of staff continue working from home
- identifying opportunities to use our land and property to support our climate strategy by generating green energy
- supporting climate action taken by our communities and local businesses

I am not happy with you virtue signalling with tax payers money by ‘encouraging residents to switch to electric vehicles by you delivering and taking on through life support costs for charging points. The use of electric vehicles should be self-supporting without tax payer subsidies on infrastructure investments. It’s not that long ago since we were being ‘encouraged’ by Government to switch to diesel and look where that got us! Put the £750000 into road surface improvements across the region. Or allocate it to other priorities – some ideas follow.

Reviewing your use of offices and buildings should be done by your own policy staff at net zero cost.

You should be supporting local business & landlords to install solar powered generation on office and premises roofs through business rate incentives. Penalise office owners that keep lighting on in their premises all night – St James’ is a prime example.

Local Plan

£740,000 over the next three years towards [reviewing our local plan](#). To ensure any new development suits the needs of our communities, and protects our landscapes and heritage.

How on earth can you justify spending £740000 on reviewing a plan when that review should be conducted and produced by the Executive staff of the Council. I would be deeply opposed to this being used to hire expensive consultants who will interview your staff and managers to get their ideas based on their practical experiences, then write it down to feed back to you and collect a handsome cheque in return. Yes I have bitter experience in this field! Trust your staff and do it in-house. If you have no one competent to do this work internally that is an indictment of your staff training plan and leadership.

I cannot see any justification for spending more than £100000 a year over the 3 years for facilitation costs (Workshops, Public involvement, publication and publicity.)

Fly-tipping

£35,000 each year to continue our fight against fly-tipping.

You could do more yourselves to reduce fly-tipping at source if you made it easier and cheaper for businesses to legally tip and recycle. You have sought to reduce the cost of running garden recycling by effectively doubling the cost by reducing the frequency of collections. Use some of your 'climate change budget proposal' to increase recycling accessibility and operational hours – how does it help if I have to drive a 25 mile round trip to the GCC Recycling centre at Fosse Crosse because you want to reduce collections to save money.

£35000 a year is clearly inadequate judging by the amount of fly-tipping I see around the area. Take £100000 per year from Climate Change and feed it into this budget. Invest in removing the desire to fly-tip e.g. push for 7 day opening at GCC Recycling centres. Set up Webcams in popular tipping spots to catch offenders then punish them to the maximum in law and shame them in the press.

Green transport options

£100,000 over two years to plan and develop better, greener transport options, including cycle and walking routes and innovative bus options.

Recovery investment strategy

£350,000 over three years to fund our Recovery Investment Strategy which aims to make the money we have go further and maximising our support in Covid 19 recovery. We will invest in:

- specialist skills and expert advice on how we can invest in economic recovery
- giving our workforce access to training to build skills and knowledge fit for the new working environment created by Covid 19

If this is about hiring more 'experts', then you need to identify and introduce an effective Benefits Realisation Policy and Management Process. Make contract payment for that advice entirely dependent upon realisation of the benefits identified in any investment recommendations. Gain share or Win/Win we use to call it.

- giving access to property for new businesses to start up in a green and sustainable way
- enabling the production of new truly green energy supplies and delivering additional social housing

I hope this doesn't include covering the Cotswolds with Solar Farms where the panels are shipped at great environmental costs from China – I refer you the Kemble Solar Farm

proposals. Solar is going to be a major contributor but it is not truly green when you take the environmental costs of production, build, operation and eventual disposal into account. It also robs us of green space, places to walk in the country side and has a detrimental visual impact. How about utilising the roof space available on commercial and private properties?

Open space review

£25,000 towards championing a review of Open Space. Working with housebuilders and residents on good maintenance of public open space on their estates.

What on earth is this – another pointless review! Take this £25000 and put it into Support for people with complex needs – it will certainly do more good there and have a greater potential impact than producing yet another consultant's report that will gather dust.

Support for people with complex needs

£23,000 towards helping individuals with complex needs, that are facing homelessness to access secure accommodation and support.

You should make this more of a priority and invest from the areas I would suggest you cut.

How we will pay for this plan

In order to pay for these investments, meet funding challenges and provide financial resilience, we need to increase revenues. We plan to do this in three key areas:

Increasing Council Tax

Council Tax rates in the Cotswold district are historically low. For every £100 residents spend on Council Tax, we get £7.40 (the national average for district councils is £11).

An increase of £5 a year for the average household (Band D) works out as just 10p a week. Our Local Council Tax Support Scheme means this rise will not be paid by those on the lowest incomes.

Setting our fees and charges at commercial rates

We charge for many of our services, for example, car parking, planning advice and garden waste collection. Where these services provide a direct benefit to users, in most cases we will charge as if we were a private company, covering our costs as a minimum.

You are a Public Service body NOT a private company so should not be seeking to make a profit on your operations – cover the costs, having made them as low as possible through efficiency measures, and that's it. If officials start thinking and acting as if they are running a business they need to get out of the public sector and get a job in Industry.

This is based on the principle that those services which do not benefit all residents should not be subsidised by other taxpayers. Where we choose to charge less than the market rate, councillors will give clear reasons for their decision.

I don't disagree with the principle but you are not applying it equally across all of your services. I refer you to 'Support for people with complex needs'. The investment you put into this worthwhile activity does not benefit all residents and I along with all other tax payers am supporting this initiative, So by your own principal you should not be subsidising it. Your principal is clearly wrong as expressed as it ignores the benefits of social justice, which is why tax payers money is channelled to those with the greatest need.

Recovery Investment Strategy

As well as charging for many services as if we were a private company, we want to make a better return on the money we have. To do this we will:

- invest in developing the local economy (including help for local businesses to recover from Covid-19) and in green technologies

Here's a proposal for you for free – make car parking across the region in our towns completely free. Give our retailers on the high streets a welcome boost by attracting visitors back into our towns and make them feel welcome and valued. Provide more and free Public Conveniences, park and ride schemes, improved tourist information..

Fund it by transferring money from your Climate Change budget if necessary to GCC if that's the only way of achieving these measures because you are not directly accountable for them.

- work to deliver housing for local people at rents they can afford

And how about at prices they can afford to buy their homes. If not we will increasingly become a destination for the London second home market. How about a punitive second home charge based on the rateable value multiplied by 10.

- work with partner councils and contractors to make our services more efficient

In partnering with other councils you are losing touch with who votes for CDC councillors – it's not the residents of Oxford or the Forest of Dean. I want my council to be run by my elected officials and their executive branch – as an embodiment of local democracy. I fully support getting value for money from contracts but that does require a more innovative approach to through life contract management and perhaps the operation of baselined Catalogue service offerings. That of course would require a coordinated national effort across all councils to set up and operate – not much chance of that happening any time soon!

Cotswold District Council

Capital Strategy 2021/22

Introduction

This Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where an authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are treated as operational expenditure, which is charged to the Council's revenue account.

- For details of the Council's policy on capitalisation, see the Council's accounting policies which are contained within the annual Statement of Accounts: [Statement of Accounts 2019-20](#)

In 2021/22, the Authority is planning capital expenditure of £18.3 m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2019/20 actual £million	2020/21 forecast £million	2021/22 budget £million	2022/23 budget £million	2023/24 budget £million
General Fund services	5.5	10.9	18.3	27.8	27.5
Capital investments	2.2	0	0	0	0
TOTAL	7.7	10.9	18.3	27.8	27.5

The main General Fund capital projects include provision of social housing, supporting local economic development, investment in green energy provision and projects to reduce carbon emissions. The Council will continue to support the community through the allocation of Disabled Facilities Grants, investment in community leisure and cultural facilities and investment in car park facilities.

Capital investments include loans and shares made for service purposes and property held primarily for financial return in line with the definition in the *CIPFA Treasury Management Code*. At the time of preparing this Strategy, the Council does not plan to incur any capital expenditure on investments. However, the differentiation between capital expenditure on General Fund Services and Investments

will be included within the individual business cases for capital projects developed under the Council's Recovery Investment Strategy.

Governance: Service managers contribute annually, in the autumn, to the Council's revenue budget and capital programme. The Finance Team collates proposed changes to the Capital Programme for consideration by the Cabinet as part of the Council's budget setting process. The financing cost (which can be nil for projects funded from Council resources or external grants) is included in the Medium Term Financial Strategy and detailed budgets for the forthcoming financial year. The Council's Overview and Scrutiny Committee considers both the Medium Term Financial Strategy and the detailed budget. The comments of the Overview and Scrutiny Committee are reported to Cabinet when the Medium Term Financial Strategy and detailed budget proposals are considered. Cabinet recommends the final Capital Programme and revenue budgets to Council in February each year.

In September 2020, the Council approved a Recovery Investment Strategy: [Recovery Investment Strategy](#). Under this Strategy the Council has established a Capital Programme Investment Board which will consider business cases for projects which support the aims and objectives of the Recovery Investment Strategy. Once the Board has considered business cases the Cabinet and/or Council will consider the views of the Board when approval is sought to access capital funding.

➤ For full details of the Council's proposed capital programme see the revenue and budget papers considered by Cabinet and Council in February 2021: [link to be added when Cabinet papers are published](#)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	2019/20 actual	2020/21 forecast £million	2021/22 budget £million	2022/23 budget £million	2023/24 budget £million
External sources	1.5	0.9	0.7	0.7	0.7
Capital resources	5.9	5.7	1.0	2.5	3.0
Revenue resources	0.3	2.1	0.2	1.0	0.3
Debt	0.0	2.2	16.4	23.6	23.6
TOTAL	7.7	10.9	18.3	27.8	27.5

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Table 3: Replacement of debt finance

	2019/20 actual £million	2020/21 forecast £million	2021/22 budget £million	2022/23 budget £million	2023/24 budget £million
Capital resources	0	0	0.3	0.3	0.7
Revenue resources	0	0	0	0.3	0.4
TOTAL	0	0	0.3	0.6	1.1

Minimum Revenue Provision Policy

Before the start of the financial year, a statement of Minimum Revenue Provision Policy for the forthcoming financial year must be approved by Full Council.

The broad aim of the Policy is to ensure that Minimum Revenue Provision (MRP) is charged over a period that is reasonably commensurate with the period over which the capital expenditure, which gave rise to the debt, provides benefits.

Where the Council's overall Capital Financing Requirement is £nil or a negative amount there is no requirement to charge MRP.

International Financial Reporting Standards (IFRS) require Private Finance Initiative (PFI) schemes and Operating Leases to be brought onto the Balance Sheet. Where this is the case, such items are classed (in accounting terms) as a form of borrowing. MRP for these items is matched against the principal repayment embedded within the PFI or lease agreement, and the impact upon the revenue account is therefore neutral.

The Council will use the Asset Life Method for calculating MRP. Under this method MRP is determined by the life of the asset for which the borrowing is undertaken. This can be calculated by either of the following methods:

- (a) Equal Instalments: where the principal repayment made is the same in each year, or
- (b) Annuity: where the principal repayments increase over the life of the asset.

The annuity method has the advantage of linking MRP to the benefits arising from capital expenditure, where these benefits are expected to increase over the life of the asset.

MRP commences in the financial year following that in which the expenditure is incurred or, in the year following that in which the relevant asset becomes operational.

The estimated life of the asset will be determined in the year that MRP commences and will not be subsequently revised. However, additional repayments can be made in any year which will reduce the level of payments in subsequent years.

If no life can be reasonably attributed to an asset, such as freehold land, the life is taken to be a maximum of 50 years. In the case of freehold land on which a building or other structure is constructed, the life of the land will be treated as equal to that of the structure.

In instances where the Government permits revenue expenditure to be capitalised, the Statutory Guidance sets out the number of years over which the charge to revenue must be made. The maximum useful life for expenditure capitalised by virtue of a direction under s16(2)(b) is 20 years.

The General Fund MRP charge, using the asset life method, is estimated at £0.3 million for 2021/22.

The Authority’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £16.1 million during 2021/22. Based on the above figures for expenditure and financing, the Authority’s estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	31.3.2020 actual £million	31.3.2021 forecast £million	31.3.2022 budget £million	31.3.2023 budget £million	31.3.2024 budget £million
General Fund services	0	2.2	18.3	41.3	63.8
Capital investments	0	0	0	0	0
TOTAL CFR	0	2.2	18.3	41.3	63.8

Asset management: The Council recognises that management of the Council's asset base is critical to delivering efficiency savings, enhancing returns from the Council’s assets and ensuring that assets remain in top condition to deliver efficient and effective services to residents.

During 2020/21, the Council commenced a targeted review of its strategic assets. The review is being led by the Leader and Deputy Leader and Cabinet Member for Finance. Where there are opportunities to use assets more effectively to deliver the Council’s priorities, business cases will be presented to the Cabinet or Council for approval.

The Council’s Audit Committee receives information on the Council’s asset portfolio as part of consideration of the financial statements.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Authority is currently also permitted to spend capital receipts on service transformation projects until 2022/23. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £3.9 million of capital receipts in the coming financial years as follows:

Table 5: Capital receipts receivable

	2019/20 actual £million	2020/21 forecast £million	2021/22 budget £million	2022/23 budget £million	2023/24 budget £million
Asset sales	0.6	0.1	0.1	0.1	0.1
Loans repaid (Ubico)	0.4	0.8	0.9	0.9	0.9
TOTAL	1.0	0.9	1.0	1.0	1.0

➤ The Asset Sale receipts in the table above includes receipts from “Right to Buy” asset disposals from Bromford Housing Association.

➤ The Council does not intend to make use of the flexibility to use capital receipts on service transformation projects. Instead, the revenue impact of transformational change is funded through the application of revenue earmarked reserves.

➤ **Treasury Management**

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council is currently debt free and as at 31 December 2020 held £28.5 million in treasury investments at an average rate of 1.44%.

Borrowing strategy: The Authority’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

The Council will use up to £2.5 million of its treasury balances to fund its borrowing requirement. This is known as internal borrowing. When interest rates are so low, it is more cost effective to use some cash in this way. The Council is losing around 0.1% on the cash investment but saving the costs of long term finance currently 1.5 to 2.5%.

Projected levels of the Authority’s total outstanding debt (which comprises borrowing, PFI liabilities, and leases) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.3.2020 actual £million	31.3.2021 forecast £million	31.3.2022 budget £million	31.3.2023 budget £million	31.3.2024 budget £million
Debt (incl. PFI & leases)	0	0	16.0	39.0	63.0
Capital Financing Requirement	0	2.2	18.3	41.3	63.8

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Authority expects to comply with this in the medium term.

Liability benchmark: To compare the Authority’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £12.5 million at each year-end. This benchmark is currently £-12.4 million, reflecting the fact that the Council is debt free and its cash balances are invested through application of the Treasury Management Strategy. Over the next three years, the liability benchmark moves to £-0.3 million reflecting a use of capital receipts and earmarked reserves and use of internal borrowing to partially fund the Capital Programme.

Table 7: Borrowing and the Liability Benchmark

	31.3.2020 actual £million	31.3.2021 forecast £million	31.3.2022 budget £million	31.3.2023 budget £million	31.3.2024 budget £million
Outstanding borrowing	0	0	16.0	39.0	63.0
+Liability benchmark	-12.4	-2.7	-3.4	-1.2	-0.1

Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2020/21 limit (revised) £million	2021/22 limit £million	2022/23 limit £million	2023/24 limit £million
Authorised limit - borrowing	10	26	49	71
Authorised limit - PFI and leases	0	0	0	0
Authorised limit - total external debt	10	26	49	71
Operational boundary - borrowing	5	21	44	66
Operational boundary - PFI and leases	0	0	0	0
Operational boundary - total external debt	5	21	44	66

- Further details on borrowing set out in the Treasury Management Strategy.

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the Government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 9: Treasury management investments

	31.3.2020 actual £million	31.3.2021 forecast £million	31.3.2022 budget £million	31.3.2023 budget £million	31.3.2024 budget £million
Near-term investments	12.4	2.7	3.4	1.4	0.3

Longer-term investments	12.5	12.5	12.5	12.5	12.5
TOTAL	24.9	15.2	15.9	13.9	12.8

- Further details on treasury investments can be found in the Treasury Management Strategy.

Risk management: The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and staff, who must act in line with the Treasury Management Strategy approved by Council. Every six months reports on treasury management activity are presented to the Audit Committee and Council. The Audit Committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council makes investments to deliver local public services. Investments can include making loans to and buying shares in:

- local service providers and local small businesses to promote economic growth; and
- the Council’s subsidiaries that provide services.

In light of the public service objective, the Council is willing to take more risk in these investments than with treasury investments. However, the Council still plans for such investments to at least break even or to generate a profit after all costs.

The Council has minimal transactions of this nature but recently provided a loan of £20,000 to the Barn Theatre in Cirencester to support the provision of a local cinema.

Governance: Decisions on service investments are made by the Council on advice from the Chief Finance Officer and must comply with the criteria and limits laid down in the Investment Strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Further details on service investments can be found in the Investment Strategy

Commercial Activities

With Government financial support for local public services declining, the Authority has invested in commercial property purely or mainly for financial gain. Total commercial property investments are valued at £6.5 million as at 31 March 2020 providing a net return after all costs of 7.0%.

With financial return being the main objective, the Authority accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include: vacancy periods (voids) between tenants, costs of material repairs to property, risk of fire or flood damage. These risks are managed by: acquiring properties with long leases and with tenants with a strong covenant and insuring the property. Covid-19 will impact some tenants, with a higher risk of business failures. In the longer term, the changing nature of the high street for retail occupants may require the Council to review its commercial property holdings. These risks are managed by the Council’s Property Services Team. The Council also has a Corporate Risk Register which is reported quarterly to the Council’s Audit Committee and includes any significant risks arising from commercial investments.

In order that commercial investments remain proportionate to the size of the Authority, these are subject to an overall maximum investment limit of £40 million and contingency plans are in place should expected yields not materialise. The revised budget for 2020/21 includes a provision of £40,000 for reduced income from commercial rent.

Governance: Decisions on commercial investments are made by the Council in line with the criteria and limits approved by Council in the Investment Strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the Capital Programme.

- Further details on commercial investments and limits on their use are in the Investment Strategy.

Liabilities

In addition to debt, the Authority is committed to making future payments to cover its pension fund deficit (valued at £40.7 million as at 31 March 2020). It has also set aside £1.8 million to cover the financial risks associated with successful appeals against business rates resulting in refunds to businesses.

The Authority is a shareholder of Ubico Ltd (one seventh) and is a joint partner in Publica Group (Support) Limited (one quarter owner). In both cases, should the company overspend its budget the Council would be liable for its share of the additional costs. In both companies, sound financial management and budgetary control mitigate the risk that additional sums will be required without adequate notice.

Governance: Decisions on incurring new liabilities are taken by Cabinet or Council according to the scale of financial liability. The risks of liabilities crystallising and requiring payment are monitored by the Finance Team and reported in the Statement of Accounts. Where liabilities arise during the year they are reported to Cabinet and Council as part of quarterly performance reports.

Further details on provisions can be found in the 2019/20 statement of accounts.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

	2019/20 actual £000	2020/21 forecast £000	2021/22 budget £000	2022/23 budget £000	2023/24 budget £000
Financing costs (£m)	-640	-400	-84	345	1,074
Proportion of net revenue stream	-5%	-3%	-1%	4%	11%

The funding available from Government from 2022/23 onwards is very uncertain due to changes due to be implemented to local government funding. The proportion indicator should therefore be treated as highly indicative.

- Further details on the revenue implications of capital expenditure are included in the report to Cabinet on the 2021/22 revenue budget. [Link to be added when February Cabinet papers are available on website.](#)

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because the impact has been included in the Medium Term Financial Strategy. The forecast level of General Fund balance is positive at £2.0 million at the end of the Strategy period in March 2025.

Knowledge and Skills

The Council is advised by professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer is a qualified accountant with over 20 years' experience of working in local government finance. The Deputy Chief Finance Officer is also a qualified accountant with 17 years of experience. The Council pays for junior staff to study towards relevant professional qualifications including Chartered Institute of Public Finance and Accountancy (CIPFA), Association of Certified Chartered Accountants (ACCA) and Association of Accounting Technicians.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. The Council employs other specialist advisers to advise upon specific, extra-ordinary transactions as required. Examples of such transactions include property acquisitions, and loans to third parties. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

The Council has experience of investing in commercial property in recent years. The Council's property service is provided through its strategic service provider Publica Group (Support) Ltd. The team of property officers have the following qualifications:

- BSc Hons Real Estate Management
- Associate Member Royal Institute Chartered Surveyors
- Member Royal Institute Chartered Surveyors
- Royal Institute Chartered Surveyors Registered Valuer
- Member Institute Welfare & Facilities Management
- Technical member for Institute for Occupational Safety and Health
- Member of Chartered Institute of Marketing

The Council's Legal Team has experience of carrying out due diligence checks, particularly for commercial property acquisitions, and the legal officers have the following qualifications:

- Fellow of the Charter Institute of Legal Executives (FCIlex)
- Associate Member of the Charter Institute of Legal Executives (FCIlex)
- Graduate of the Charter Institute of Legal Executives (FCIlex)
- Para-Legals
- Solicitors

The Property and Legal teams work together with the Finance Team to support the Council's Chief Finance Officer and the Public Finance Director in developing investment proposals for the Council. External specialist advice is obtained when required to support these teams.

The Cabinet and Council also includes elected Members with a wealth of experience from business, banking and financial organisations. Members will use their knowledge, skills and experience to scrutinise business cases for proposed Council investment.

Cotswold District Council

Investment Strategy Report 2021/22

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This Investment Strategy meets the requirements of statutory guidance issued by the Government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). As a Council Tax 'billing authority' it collects local taxes on behalf of other local authorities, the Police and the Government and also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £15 million and £33 million during the 2021/22 financial year.

Contribution: The income from treasury management investments is used to sustainably fund local service provision.

Further details: Full details of the Council's policies and its plan for 2021/22 for treasury management investments are covered in the Treasury Management Strategy [\(include Link to the Strategy\)](#).

Service Investments: Loans

Contribution: The Council lends money to support local public service provision and stimulate local economic growth. Loans are available to organisations and residents within the District. Loans to residents will be in line with Council approved policies such as its Starter Home Initiative and Disabled Facilities Grant policies. Where a loan is proposed to an organisation in the District, a business case is prepared and considered by the Cabinet or the whole Council as required by the Council's Financial Rules and Constitution. The business case includes details of the alignment to Council priorities and an assessment of the risk to the Council.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £

Category of borrower	31.3.2020 actual			2021/22
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Charities	422,865	0	422,865	430,766
Registered Providers	31,500	0	31,500	31,500
New Loans for Charities, Registered Providers, Economic Development, or Supporting Climate Change Priorities	0	0	0	15,200,000
Local residents (equity loans)	111,012	0	111,012	145,000
Employees (car loans)	40,367	0	40,367	45,000
TOTAL	605,744	0	605,744	15,852,266

The Council has a Recovery Investment Strategy ([Strategy](#)) which sets out the Council’s approach to “deliver the much needed capital investment for our Housing, Jobs and Green Infrastructure”. The Strategy also sets out the aim “to ensure that the Council makes an appropriate return on capital employed to support the cost of capital and an appropriate return to support the revenue budget.” The Strategy includes a provision for capital investment of £15.2 million in 2021/22, £20 million in 2022/23 and £19 million in 2023/24. This investment will be subject to business cases for proposals which support delivery of the Council Priorities as per the Corporate Plan ([Corporate Plan](#)). Investment could include the provision of loans to third parties. Table 1 includes a provision for third party loans of £15.2 million in 2021/22. Before any funds are advanced to third parties, the Cabinet and Council will consider business cases which will include the outcome of due diligence work. It is expected that loans advanced under the Recovery Investment Strategy will be secured loans to minimise Council risk.

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The loans that the Council has made are limited to specific service areas and the likelihood of non-payment is minimal. There is no history of non-payment and no evidence to suggest that there will be any default against the loans granted. As result, no allowance for loss has been included against the loan balances. Should any indication be given that there is a risk of default then the risk will be assessed and a provision established at that time. Should a loan default, the Council will make every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

In addition to the loans granted, the Council has included provision in its Treasury Management Strategy to loan up to £500,000 to both Ubico and Publica Group (Support) Limited, should either company require support. The Council is a shareholder in Ubico and a shared owner of Publica. In both cases, the loan facility is to enable the Council to be able to provide a loan for short-term cash flow purposes. No loans were in place at 31.3.20.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by undertaking credit checks and ensuring that appropriate legal documentation is in place to secure the Council’s money.

In order to assess risk, the Council will commission professional advice on proposed new investments under its Recovery Investment Strategy. This will include advice on the financial sustainability of third parties from its Treasury Advisors, Arlingclose and accounting, property and legal advice. The Council's Capital Investment Programme Board, comprising of Members from both the Administration and the Opposition Group, will consider business cases and the professional advice and will provide support to the Cabinet and Council as part of the Council's decision making process. Business cases will include: the nature of the market that the Council is investing in, the level of competition, how the market is expected to evolve over time, barriers to entry and exit, ongoing investment required, the experience and financial sustainability of any third party entities. Where financial sustainability due diligence includes the use of credit ratings, the business case will set out how frequently the credit ratings are to be monitored and the procedures for taking action if credit ratings change. Business cases will also include how performance and risk is to be monitored.

Service Investments: Shares

Contribution: The Council has a £1 shareholding in Ubico Ltd. Ubico Ltd is an environmental services company which provides household and commercial refuse collection, recycling, street cleansing, grounds maintenance and fleet maintenance services to the Council. Ubico Ltd is wholly-owned by seven local authorities and operates as a not for profit enterprise.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. The Council's investment is fixed at £1.

Table 2: Shares held for service purposes in £

Category of company	31.3.2020 actual			2021/22
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Local authority owned company	1	-	1	1
TOTAL	1	-	1	1

Risk assessment: the Council has not invested into Ubico to generate a financial return. The Council has invested in Ubico to support service delivery. Ubico is a cost sharing company - any surplus generated within Ubico is returned to the partner Councils [shareholders]. Similarly, any deficit has to be met by the Councils. Through regular budget monitoring and transparency around contract sums and performance, and regular communication with the Council, the risk of any financial loss is mitigated and minimised.

Liquidity: the Council has not invested into Ubico to generate a financial return. The Council has invested purely to facilitate service provision. The Council has no intention to dispose of its investment in the foreseeable future.

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

Investment Property is defined in the CIPFA code of practice on Local Authority Accounting as property (land or buildings, or both) held solely to earn rentals or for capital appreciation, or both. The Council holds a number of assets that it classifies as Investment Properties

Contribution: The Council owns a number of Investment Properties within the Cotswold District and three significant assets outside of the district. The properties acquired outside of the District were acquired with the intention of generating income to support the revenue budget and were funded from the Council’s capital receipts and did not require the Council to undertake any borrowing.

In 2019/20, the Council acquired an investment property in Dyer Street, Cirencester. The acquisition was a strategic asset purchase linked to the potential development of the Waterloo Car Park in Cirencester and is part of the Council’s place-making role for Cirencester. Other investment property in the District is typically associated with Council operational buildings such as the Corinium Museum and Moreton Area Centre, where surplus office space is leased, or other assets held for place-shaping reasons.

Table 3: Property held for investment purposes in £

Property	1.4.19	Purchases 2019/20	31.3.2020 actual		31.3.2021 expected	
	Value in accounts	Purchase Price	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Investment Property within Cotswold District	1,329,000		(63,000)	1,266,000	0	£1,266,000
Investment Property inside of Cotswold District: 27A Dyer Street, Cirencester ¹	n/a	2,183,020	(243,020)	1,940,000	0	1,940,000
Investment Property outside of Cotswold District: Superdrug, Worcester	780,000		(30,000)	750,000	0	750,000
Investment Property outside of Cotswold District:	1,550,000		(60,000)	1,490,000	0	1,490,000

¹ Purchased in 2019/20.

Wilkinsons, West Bromwich						
Investment Property outside of Cotswold District: Tesco, Seaford	1,170,000		(45,000)	1,125,000	0	1,125,000
Provision for strategic property acquisitions - linked to place shaping or economic development	0		n/a	n/a	0	980,000
TOTAL	4,829,000		(441,020)	6,571,000	7,551,000	7,551,000

During 2020/21, the Council approved a strategic property acquisition in Moreton-in-Marsh in partnership with Moreton-in-Marsh Town Council. The acquisition is still in progress. Table 3 reflects this acquisition, although completion before the end of the 2020/21 financial year remains uncertain at the time of preparing this Strategy.

Security: A fair value assessment of the Council's investment property portfolio is undertaken each year as part of the final accounts process. Investment property is valued at market value. Property values fell during March 2020 reflecting the valuer's assumptions of reductions in rental income expected in 2020/21 associated with Coronavirus considerations and potential void periods. The fair value of the Council's investment property portfolio is included in the Statement of Accounts; based upon 'market value'.

In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. Table 3 shows fair value losses in 2019/20 which are a direct result of the valuation undertaken as at 31 March 2020, when the first Covid-19 national lockdown was in place. The proportion of the Council's Investment Property portfolio which is outside of the District, is held primarily to generate a stable income stream to support the revenue budget. The losses indicated in Table 3 will not be recognised unless the Council decides to dispose of the assets. The Council maintains sufficient liquidity so that there is no requirement to sell any of the investment properties. Over time, it is expected that the market value of investment properties will vary.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments and aims wherever possible to mitigate the risk by purchasing property with secure tenants on long leases.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, the Treasury Management Strategy includes the provision of liquid investments should the Council be in need of cash. It is not anticipated that the Council would need to sell any Investment Property at short notice.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

The Council is a shareholder of Ubico Ltd, owning one seventh of the company, and is a joint partner in Publica Group (Support) Limited, owning one quarter of the company. In both cases, should the company overspend, the Council would be liable for its share of the additional costs. In both companies, sound financial management and budgetary control mitigate the risk that additional sums will be required without adequate notice.

Proportionality

The Council is dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives, priorities and place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Strategy. Should it fail to achieve the expected net profit, the Council will be required to draw additional balances from reserves, or generate savings elsewhere within the budget to continue to provide its services. The Council is not currently including income from the Dyer Street property in its revenue budget, reflecting the strategic place shaping reason for acquiring this asset rather than acquisition of the asset for investment income generating purposes. Income from the Dyer Street property is therefore excluded from table 4.

Table 4: Proportionality of Investments

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget
Gross service expenditure*	22,413,000	24,820,000	24,168,000	22,530,000	22,019,000
Treasury Investment income	644,253	442,203	396,000	396,000	396,000
Loans income**	14,297	13,965	12,306	12,229	11,706
Shares dividends	0	0	0	0	0
Investment Property Income	553,949	423,127	459,832	459,832	459,832
Investment Income as a proportion of expenditure	5.18%	3.54%	3.59%	3.85%	3.94%

The proportion is the investment income divided by the gross service expenditure

*Excluding Housing Benefit payments

** Excludes any income from possible new advances to Registered Providers or other third parties under the Investment Recovery Strategy.

Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council will need to borrow in 2021/22 to fund new capital. Any funds borrowed will be in relation to specific schemes and based upon the cash required for the chosen schemes. There are no plans to borrow in advance of need.

Capacity, Skills and Culture

Elected members and statutory officers:

The Council employs professionally qualified and experienced staff in senior positions with responsibility for advising Council on capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer is a qualified accountant with over 20 years' experience of working in local government finance. The Deputy Chief Finance Officer is also a qualified accountant with 17 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including Chartered Institute of Public Finance and Accountancy (CIPFA), Association of Certified Chartered Accountants (ACCA) and Association of Accounting Technicians (AAT).

Where Council staff do not have the knowledge and skills required, external advisers and consultants are engaged that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. The Council employs other specialist advisers to advise upon specific, extra-ordinary transactions as required. Examples of such transactions include property acquisitions, and loans to third parties. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

The Council has experience of investing in commercial property in recent years. The Council's property service is provided through its strategic service provider Publica Group (Support) Ltd. The team of property officers have the following qualifications:

- BSc Hons Real Estate Management
- Associate Member Royal Institute Chartered Surveyors
- Member Royal Institute Chartered Surveyors
- Royal Institute Chartered Surveyors Registered Valuer
- Member Institute Welfare & Facilities management
- Technical member for Institute for Occupational Safety and Health
- Member of Chartered Institute of Marketing

The Council's legal team have experience of carrying out due diligence checks, particularly for commercial property acquisitions, and the legal officers have the following qualifications:

- Fellow of the Charter Institute of Legal Executives (FCIlex)
- Associate Member of the Charter Institute of Legal Executives (FCIlex)
- Graduate of the Charter Institute of Legal Executives (FCIlex)
- Para-Legals
- Solicitors

The Property and Legal teams work together with the Finance team to support the Council's Chief Finance Officer and the Publica Finance Director in developing investment proposals for the Council. External specialist advice is obtained when required to support these teams.

The Council has previously invested in a range of commercial properties which are delivering a sustainable revenue stream to the Council.

Commercial deals: The Council's Chief Finance Officer, Deputy Finance Officer and the Publica Finance Director are all aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate. These Officers will work with a team of specialist officers to prepare business cases for consideration by Members under the Council's Recovery Investment Strategy. It is the responsibility of the Finance Team to ensure that the

implications of the prudential framework and the regulatory regime are considered as business cases are developed.

The Cabinet and Council also includes elected Members with a wealth of experience from business, banking and financial organisations. Members will use their knowledge, skills and experience to scrutinise business cases for proposed Council investment as set out below.

Scrutiny Arrangements and Corporate Governance:

Under the Council’s Recovery Investment Strategy, a Capital Investment Board, composed of Members from both the Administration and the Opposition will work with Officers on business cases for future investment. The Board will scrutinise proposals, considering the contribution to delivery of the Council Priorities and the impact upon the overall risk to the Council. The views of the Board will be considered by the Cabinet. The Cabinet will take decisions or make recommendations to the full Council on new investments that are not part of Treasury Management Activity.

Financial Performance is reported quarterly to the Council’s Overview and Scrutiny Committee and to the Cabinet. This includes the financial performance of the Treasury Management function and any other revenue-generating investments.

The Audit Committee considers the draft Capital, Investment and Treasury Management Strategies and provides its views to the Cabinet for consideration. Cabinet recommends the suite of Strategies to the Council for approval. Treasury Management performance is reported at half-year and year-end to the Council’s Audit Committee and to the full Council.

The Council’s internal audit provider (South West Audit Partnership Ltd) regularly audits the Council’s treasury management activity and its processes and procedures for approving investment and performance management. SWAP reports to the Council’s Audit Committee.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council’s total risk exposure from its investment decisions.

Total risk exposure: The first indicator shows the Council’s total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

Table 5: Total investment exposure in £

Total investment exposure	31.03.2020 Actual	31.03.2021 Forecast	31.03.2022 Forecast
Treasury management investments	24,986,584	15,159,000	15,898,000
Service investments: Loans	605,744	613,645	15,852,266 ²
Service investments: Shares	1	1	1
Commercial investments: Property	6,571,000	7,551,000	7,551,000
TOTAL INVESTMENTS	32,163,329	22,771,365	39,301,267

² This reflects the potential for new lending under the Recovery Investment Strategy, which would be subject to business cases to be approved by Council.

Commitments to lend ³	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	32,163,329	22,771,365	39,301,267

How investments are funded: Government guidance is that these indicators should include how investments are funded.

The Council's plans for borrowing are limited to schemes which are primarily for service delivery. Investment for service delivery does not usually form part of this report. However, as the Council's Recovery Investment Strategy was approved by Council in September 2020 and the business cases for investment are under development, the potential for any capital expenditure to be considered as "investment" have been included in this Strategy document for maximum transparency. The following could be described as "investments" being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £

Investments funded by borrowing	31.03.2020 Actual	31.03.2021 Forecast	31.03.2022 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0		15,200,000
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL FUNDED BY BORROWING	0	0	15,200,000

The £15.2 million included in table 6 for Loans relates to service investment to enable the delivery of affordable homes, economic growth or investment in green infrastructure in the District. Whilst this loan is service related rather than a loan for investment purposes (i.e. lending made specifically to generate a revenue return for the Council) it has been included in Table 6 for transparency purposes.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

(Commercial Property returns are calculated based upon returns compared to the current market valuation of the asset not the purchase price).

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2019/20 Actual	2020/21 Forecast	2021/22 Forecast

³ This excludes the potential loan facility offered to Ubico Limited and Publica Group (Support) Limited for cash flow purposes

Treasury management investments - average returns	2.2%	1.4%	1.3%
Service investments: Loans			
Charities ⁴	2.7%	2.7%	2.7%
Housing Association ⁵	0.0%	0.0%	0.5%
Local residents (equity loans)	0.0%	0.0%	0.0%
Employees (car loans)	2.0%	2.0%	2.0%
Service investments: Shares	0.0%	0.0%	0.0%
Commercial investments: Property	7.0%	6.7%	7.3%

⁴ This represents an average return based upon loans ranging from 0% to 3.5%

⁵ Reflects the margin increase in interest rate over and above the interest rate that the Council would be paying on borrowing.

COTSWOLD DISTRICT COUNCIL
TREASURY MANAGEMENT STRATEGY STATEMENT
2020/2021

1. Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has substantial investments and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's 'Treasury Management in the Public Services: Code of Practice 2017 Edition' (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in the Investment Strategy 2021/22. [Link to be inserted](#)

2. Economic background

The impact on the UK from Covid-19, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Council's Treasury Management Strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a Covid-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment

rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of Covid-19 on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages was 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the third successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extending it until March 2022.

The US economy contracted at an annualised rate of 31.7% in Q2 2020 and then rebounded by 33.1% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling Covid-19 his immediate priority and will also be reversing several executive orders signed by his predecessor and taking the US back into the Paris Climate Accord and the World Health Organization.

Credit outlook

After spiking in late March as Covid-19 became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around Covid-19 related loan defaults led to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic. Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

3. Interest rate forecast

The Council's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the Covid-19 pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely to remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

4. Balances

On 31st December 2020, the Council held £28.596m of investments. This is set out in further detail at Appendix B. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.20 Actual £million	31.3.21 Estimate £million	31.3.22 Forecast £million	31.3.23 Forecast £million	31.3.23 Forecast £million
General Fund CFR	0.100	2.320	18.423	41.418	63.918
Less External Borrowing	0	0	16.000	39.000	63.000

Internal borrowing	(0.100)	(2.320)	(2.423)	(2.418)	(0.918)
Usable reserves	22.300	14.779	15.621	13.455	10.815
Working capital	2.700	2.700	2.700	2.700	2.700
Investments	24.900	15.159	15.898	13.737	12.597

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain investments below their underlying levels, sometimes known as internal borrowing.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council currently has no debt however, the Council's capital expenditure plans will require funding from external borrowing resulting in a positive Capital Financing Requirement (CFR). The Council will comply with the Prudential Code as the debt will be lower than the CFR.

5. Borrowing Strategy

The Council currently does not hold any debt, but it is expected that some temporary borrowing could occur in the latter part of 2020/21 and further into 2021/22 to fund the daily cash-flow. The Council has an increasing CFR due to the capital programme. The Council's investments are not large enough to fully fund the capital programme and the Council will therefore be required to borrow up to £63 million over the forecast period.

The Treasury Management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing

into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. The breakeven analysis will support the decision on whether the Council borrows at long-term fixed rates in 2021/22, with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The preferred option for borrowing is to use the Public Works Loan Board (PWLB). The Council will also consider long-term loans from other sources including banks, pensions and local authorities and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs. This reduces over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council intends to avoid this activity in order to retain its access to PWLB loans.

The Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost without suffering a cost of carry in the intervening period.

Sources of borrowing

The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Gloucestershire County Council Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance

Capital finance may be raised by the following methods that are not borrowing, but are classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency

The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Short-term and variable rate loans

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

6. Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £19million and £60million, but levels in 2021/22 are expected to fall in the range of £15 million and £33 million in the forthcoming year as the Council funds significant capital expenditure from capital receipts and earmarked reserves. The forecast average investment balance for 2021/22 is estimated to be around £29.5million.

Objectives

The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates

The Covid-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will look to diversify into more secure and/or higher yielding asset classes during

2021/22, if and when required, as it has done so for many years now. The majority of the Council's surplus cash is currently invested in, money market funds and pooled funds.

Business Models

Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties

The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£3m	Unlimited
Secured investments *	25 years	£3m	Unlimited
Banks (unsecured) *	13 months	£3m	Unlimited
Building societies (unsecured) *	13 months	£2m	£10m
Registered providers (unsecured) *	5 years	£3m	£5m
Money market funds *	n/a	£3m	Unlimited
Strategic pooled funds	n/a	£3m	£20m
Real estate investment trusts	n/a	£3m	£20m
Other investments *	5 years	£1m-£3m	£10m

** investments in these sectors will only be made with entities whose lowest published long-term credit rating is no lower than A-*

Credit rating

Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken

into account. For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

Government

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured Investments

Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured)

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured)

Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed. If the Registered Provider has no credit rating then due diligence checks through Arlingclose will be carried out beforehand.

Money market funds

Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic Pooled funds

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts

Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Other investments

This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Operational bank accounts

The Council banks with Lloyds (Lloyds Banking Group). On adoption of this Strategy, it will meet the minimum credit criteria of A- (or equivalent) long term. It is the Council's intention that even if the credit rating of Lloyds Bank falls below the minimum criteria A- the bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

Policy Investments

The Council will provide cash-flow cover for third-party organisations linked to the Council. The following limit is set for 2021/22:

- Publica Group - £500k up to one year duration
- Ubico - £500k up to one year duration

Risk assessment and credit ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits

The Council’s reserves available to cover investment losses are forecast to be £15 million on 31st March 2021. In order that no more than 25% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £3 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£3m each
UK Central Government	unlimited

Any group of organisations under the same ownership	£3m per group
Any group of pooled funds under the same management	£3m per fund manager
Foreign countries	£3m per country
Registered providers	£3m in total
Real estate investment trusts	£3m per REIT
Unsecured investments with building societies	£2m in total per BS
Money Market Funds	£20m in total

Liquidity management

The Council uses purpose-built cash flow forecasting software, Logotech, to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

7. Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit rating	A

Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2021/22	2022/23	2023/24
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Principal sums invested for periods longer than 364 days

The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2021/22	2022/23	2023/24
Limit on principal invested beyond year end	£25m	£25m	£25m

Limits to borrowing activity

The operational boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary	2020/21 Revised £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Total	5,000	21,000	44,000	66,000

The authorised limit for external debt

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils’ plans, or those of a specific council, although this power has not yet been exercised.

The Council is asked to approve the following authorised limit:

Authorised Limit	2020/21 Revised £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Total	10,000	26,000	49,000	71,000

Other Items

The Council is required by CIPFA to include a number of additional items in its Treasury Management Strategy.

Financial derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Miffid 2

Miffid 2 is a legislative framework instituted by the European Union to regulate the financial markets and improve protections for investors. This Council has elected for Professional Client Status which means that to be able to invest in certain investments, it must hold a minimum of £10m in investments. If this falls below the minimum level then access to certain financial market instruments could be made unavailable to this Council.

Investment training

The needs of the Council's Treasury Management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff will regularly attend training courses, seminars and conferences provided by Arlingclose, CIPFA and other such organisations.

Investment advisers

The Council appointed Arlingclose Limited as treasury management advisers back in December 2018 for three years plus the option for a further two years after a joint tender with West Oxfordshire District Council. The Council receives specific advice on investment, debt and capital finance issues.

Financial Implications

The estimated investment income in 2021/22 is £396,000 based on an average investment portfolio of £29.5m at an interest rate of 1.34%. The Council aims to maintain its portfolio of long term investments in strategic funds at £12.5 million. This is forecast to return £389,400. Investments in liquid assets such as bank deposits and money market funds are expected to return just 0.04% and generate a yield of £6,600. If actual levels of investments and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Appendix A - Arlingclose Economic & Interest Rate Forecast - December 2020

Underlying assumptions:

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in Covid-19 cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out, especially with likely emergency action in response to a no-deal Brexit.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3-month money market r.													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingclose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1yr money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Artingclose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
5yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
10yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
20yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
50yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

	31 st December Actual Portfolio £m	31 st December Average Rate %
Treasury investments:		
Money Market Funds/Call Accounts	16.096	0.04
Other pooled funds		
CCLA Property Investment Management	2.500	3.88
CCLA Diversified Income	1.000	3.26
Schroders Unit Trusts Ltd	1.000	4.70
M&G Securities Ltd	2.000	3.37
Ninety One (formerly Investec)	2.000	3.53
Columbia Threadneedle Fund	2.000	2.74
Federated Cash Plus Fund	1.000	0
Fundamentum Housing REIT	1.000	2.00
Total treasury investments	28.506	1.44%

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WORK PLAN 2020/21

COMMITTEE DATE	ITEMS
23 February 2021	Summary Finance/Service Performance Report - Quarter 3 2020/21
	Publica Update, including Publica Business Plan, Programme Planning and Management
	Quarterly Digest (including County Matters)
	S106 and CIL monitoring
	Update on Planning Enforcement
	Final report of the Tetbury and Fairford Task and Finish Group
Items suggested for possible consideration at future meetings	<ul style="list-style-type: none"> • Local Transport – a response has been submitted to the GCC LTP. • Provision of Urgent, acute Emergency and Primary Care to our rural communities. To include Ambulance Service (SWASFT) update – 2021/22 • The Steadings (Chesterton Development). 2021/22 • Economic Development – to include information on helping young people back into work – 2021/22 • Healthy Communities Review – 2021/22 • Review of Community Grant Schemes and their operation – 2021/22 • Local Government Re-organisation in Gloucestershire – post white paper – end of Municipal Year 2021/22 • Annual report on Crime and Disorder – June/July 2021/22 • Contract terms in relation to Leisure Centres – end of Municipal Year 2021/22

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