



**WATFORD
BOROUGH
COUNCIL**

BUDGET PANEL

16 January 2018

7.00 pm

Town Hall, Watford

Contact

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For information about attending meetings please visit the [council's website](#).

Publication date: 8 January 2018

Committee Membership

Councillor Asif Khan (Chair)

Councillor M Hofman (Vice-Chair)

Councillors N Bell, A Dychton, J Fahmy, R Martins, M Parker, G Saffery and N Shah

Agenda

Part A - Open to the Public

1. Apologies for Absence/Committee Membership

2. Disclosure of Interests (if any)

3. Minutes

The [minutes](#) of the meeting held on 28 November 2018 to be submitted and signed.

4. Finance Digest 2017/18 Period 8 (Pages 3 - 36)

This report informs Budget Panel of the expected financial position at the end of the financial year, based on the actual performance at the end of November 2017 (Period 8).

5. Budget report 2018-21 (Pages 37 - 141)

The report sets out:

- the revenue budgets for the period 2018-21 and a revised budget for 2017/18
- the capital programme for the period 2018-21
- the Council's income charging policy (including the individual service fees and charges)
- the Treasury Management Strategy 2018/19

all of which are subject to Council approval.

6. Dates of Next Meeting

- 14 March 2018



FINANCE DIGEST

2017/18

BUDGET MONITORING



Period 8 (as at 30 November)



A table of contents is shown below together with the appropriate page number.

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Executive Summary

The budget of **£14.262 million** for 2017/18 was approved by Council on 24 January 2017. The latest budget of **£15.465 million**, which includes approved budget carry forwards from 2016/17 and additional spend from reserves both of which were approved by Cabinet on 3 July 2017.

This Finance Digest shows the expected financial position (forecast outturn) for the current financial year based on the Council's actual financial performance at the end of Period 8 (November) 2017 set against the latest budget. Trend analysis for comparisons with previous years is not available due to the restructure of services in 2017/18.

Revenue summary

The 2017/18 forecast outturn is **£14.917 million**, which gives a favourable variance of **£0.548 million** when compared to the latest budget. This variance is due to the following:-

<u>Variance</u>	<u>£ 000</u>
Net reduction in housing on cost of temporary accommodation	(535)
Increased income from planning application & building reg. fees	(487)
Additional income from recycling credits and AFM model	(167)
Increase in income from parking (CPZ)	(125)
Spend on traffic regulation projects and project support (CPZ)	220
Cost of dilapidation on the parking shop (CPZ)	34
Additional planned spend on ICT costs	287
Net change in rental income (see appendix 1A)	(88)
Additional pension costs on the waste contract	150
HMO income – Revised method of recording	(39)
Savings on the pest control service	(35)
Overestimation of rental income from the Annex	75
Cost of professional consultants fees in Development Control	75
Increase in income from cemeteries	(75)
Savings on employee costs	(44)
Additional cost of project work in relation to the new Housing Reduction Act 2017	74
Delivery of the Corporate peer challenge recommendations	35
Other smaller variances (individual <£20,000)	97
Total service variance Period 8	(548)

The in-year annual budget is revised in January and it is anticipated that any variances will be managed through reserves. It is expected that the current variance will be met from the following reserves:

<u>Reserve</u>	<u>£ 000</u>
Car Parking Reserve (CPZ)	(129)
Economic Impact reserve	677
Total	548

The table below shows a summary of the Council's revised use of contribution from reserves for 2017/18.

<u>Medium Term Financial Strategy</u>	<u>2017/18</u> <u>£ 000</u>
Latest Budget (including carry forwards)	15,465
Variances this period (see appendix 1A)	(807)
Variances previously reported (appendix 1A)	259
Forecast Outturn	14,917
Funding (income from business rates, grants and council tax)	(13,629)
Budgeted use of reserves	(1,836)
Additional Funding	(40)
Additional contribution to / (from) reserves	588
Total funding and use of reserves	(14,917)

Capital summary

The 2017/18 capital budget is £41.758 million. Services are forecasting an outturn position of £53.882 million resulting in a unfavourable variance of £12.124 million. The programme is funded as per the table below:

<u>Medium Term Financial Strategy</u>	<u>2017/18</u> <u>£ 000</u>
Latest Budget (including rephased schemes from 2016/17)	41,758
Variance this period (see appendix 3)	12,375
Variances previous reported (see appendix 3)	(251)
Forecast Outturn	53,882
<u>Funding the capital programme</u>	
Grants & contributions, S106 & CIL	(2,171)
Reserves	(4,112)
Capital Receipts	(14,193)
Internal Borrowing	(33,406)
Total Funding	(53,882)

Reserves

The potential effect of both the revenue and capital variances upon on each reserve is shown in the table below. A full list of reserve balances is shown at **Appendix 9**.

Description	Balance at 1 April	Agreed use of Reserves	Previously reported Movement	Reported Movement this period	Total	Balance at 31 March 2018
	£000	£000	£000	£000	£000	£000
Capital Reserves	(19,181)	7,395	0	(102)	7,293	(11,888)
Earmarked Reserves	(9,674)	1,402	0	(3,794)	(2,392)	(12,066)
General Fund	(1,412)	0	0	0	0	(1,412)

1.0 Revenue Budget

- 1.1 Budget monitoring report is a key tool in scrutinising the Council's financial performance and is designed to provide an overview to all relevant stakeholders. It is essential that the council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives within its resource limits and, where necessary, corrective action is taken. A key principle of budgetary control is to align the budget holders' financial responsibilities and their management responsibilities.
- 1.2 The latest budget is **£15.465 million**. The services' prediction of forecast outturn is now estimated to be **£14.917 million** which results in a favourable service variance of **£0.548 million**.
- 1.3 The table below compares the latest budget to the forecast outturn and shows the variance against each service. It also shows the current actual spend to date (as at 30 November). The figures in the table relate to direct costs and incomes for each service.

Revenue Account 2017/18			
Service Area	Latest Budget £000	Forecast Outturn £000	Variance £000
Community & Environmental	9,324	9,107	(217)
Democracy & Governance	3,193	3,236	43
Place Shaping & Performance	(4,405)	(5,064)	(659)
Corporate Strategy & Communications	1,032	1,057	25
Service Transformation	2,188	2,479	291
Human Resources	581	591	10
Strategic Finance	3,552	3,511	(41)
Net Expenditure	15,465	14,917	(548)

- 1.4 The detail of comparing the forecast outturn to the latest budget, together with an explanation for the variance by service is shown at **Appendix 1**. Services with significant forecast outturn variances have provided the narratives below:

Community & Environmental

- 1.4.1 Additional income expected from HCC for recycling credits (£167,000) and increase in green bin income of (£8,000). Additional income from the Licensing Act 2003 (£38,000) and Taxi Licensing (£34,500) due to a revised method of accounting treatment that recognises the income in the appropriate year. Increase in expected income from cemeteries (£75,000). Increase in HMO income (£39,000) due to the reversal of income in advance, as part of revised method of recording. Additional staff costs of £17,000 on Environmental Health. Savings of (£35,000) on Pest Control contract service as previously estimated costs were not incurred. Pension cost of £150,000 is expected to be incurred as part of the waste contract with Veolia. This is as part of the pass through costs agreement.

Democracy & Governance

- 1.4.2 Correction of overestimated income from the Annex, 72,000. Additional income of (£15,000) for the completion of S106 agreements. Savings on employee costs (£15,000).

Place shaping & Performance

- 1.4.3 Net decrease in rental income of £35,202 as detailed in Appendix 1. Additional income of £447,000 expected from planning application fees and planning performance agreements along with an increase in building control income of £40,000 due to a strong market. Increase in the cost of the CCTV contract and additional hours on monitoring will cost £25,000. Additional agency costs of £24,000 and professional consultancy costs of £75,000 as part of additional income generation.
- 1.4.4 An overall saving on temporary accommodation costs of £535,000. This is due to lower than projected demand and a reduced reliance on more expensive methods of provision. Additional employee costs for housing services of £73,500 for a project manager for the introduction of the Homelessness Reduction Act 2017.
- 1.4.5 Increased incomes from the parking service of £125,000 as well as additional spend of £200,000 on traffic related projects. Handback and dilapidation costs for the parking shop of £34,000. Project management support of £20,000. All of these will be funded from the CPZ reserve.

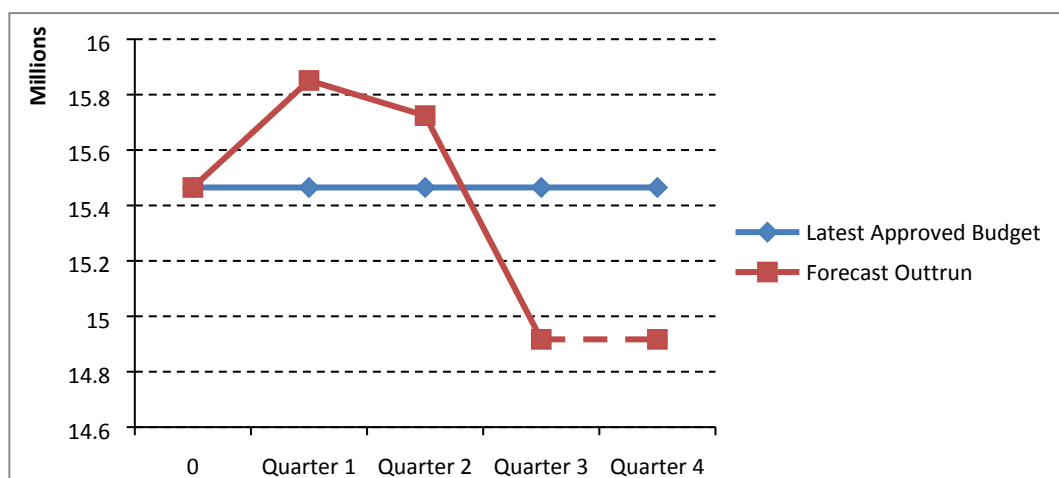
Service Transformation

- 1.4.6 The additional costs to WBC of ICT shared service reported in Period 6 of £286,800 have now been revised to £184,680. However, the cost of ICT client has increased by £100,500 of which £47,000 is due to a historic efficiency target that is not deliverable and £51,000 increase in spend based on Microsoft licensing audit.

Strategic Finance

- 1.4.7 Savings on staffing costs of £43,680 in the Revenues & Benefits service. Interest earned of £35,000 from the sale of land, Ascot Road. Budget of £127,143 allocated for unidentified projects now apportioned to reserve for future allocation. Unbudgeted cost of Premises pollution insurance to be paid in 17/18 of £165,000.

- 1.5 The latest budget and forecast outturn for the current financial year (2017/18) at the end of November are plotted on the graph below;



Spend to Date and Profiles

- 1.6 To enable further scrutiny of the Council's financial position, budgets are profiled to allow comparisons to be made between the actual spend/income against expected spend/income to date. This helps to inform if the Council's spending plans are on track.
- 1.7 The table below compares the profiled budget to date to the actual net expenditure to date and the variance between the two for each service for Period 8.
- 1.8 The spend to date equates to approximately 73.5% of the Council's net expenditure budget. The Council's ledger holds profiles for budget account codes. These are set to twelfths as a default but can be adjusted to take account of different profiles or known spikes – eg: seasonal variations. Services control their own profiles.

Service Area	Profiled Budget £000	Spend Q2 £000	Variance £000
Community & Environmental	5,993	5,097	(896)
Democracy & Governance	1,941	1,921	(20)
Place Shaping & Performance	(2,966)	(3,661)	(695)
Corporate Strategy & Comms	594	624	30
Service Transformation	1,591	1,969	379
Human Resources	429	479	50
Strategic Finance	3,391	4,937	1,545
Net Expenditure	10,973	11,366	393

- 1.9 The reasons for the **significant** variances (over £50k or those deemed to be of interest to the Panel) against profile are shown below.

Community & Environmental

- 1.9.1 Invoice from Veolia for October of £564k was received in November and will be processed in December (P9). Reduction in spend on supplies & services of

£83k compared to profile, some of which has been reported as a saving in appendix 1.

Democracy & Governance

- 1.9.2 The variance concerning buildings and projects of £81k relates to lower spending on property maintenance which is due to resources being diverted to the Town Hall project.
Expenditure relating to elections has yet to be allocated and shows a favourable variance of £64K against profile.

Place Shaping & Performance

- 1.9.3 The management of commercial properties has been outsourced to Lambert Smith Hampton (LSH); the variance in income on Investment assets is due to a timing difference between the invoicing and collection by LSH and then the transfer of those receipts to the Council. Income of £508k was received in December (P9) some of which relates to P8.

There was an increase of £654k in planning application fee (Development Section) income against profile. The magnitude and volume of planning applications is difficult to predict throughout the year and as a default the budget is profiled in twelfths. The Council has received fees for some large applications in the first quarter resulting in an estimated favourable variance of £487k for the year (see Appendix 1A).

The variance on the Policy Team primarily relates to the unbudgeted grant income of £224k received from the Housing & Communities Agency towards the Watford junction project. This is not treated as additional income as it will be matched by expenditure over two years.

There has been additional spend on transport and infrastructure and this will be funded from the CPZ reserve. (see Appendix 1)

Service Transformation

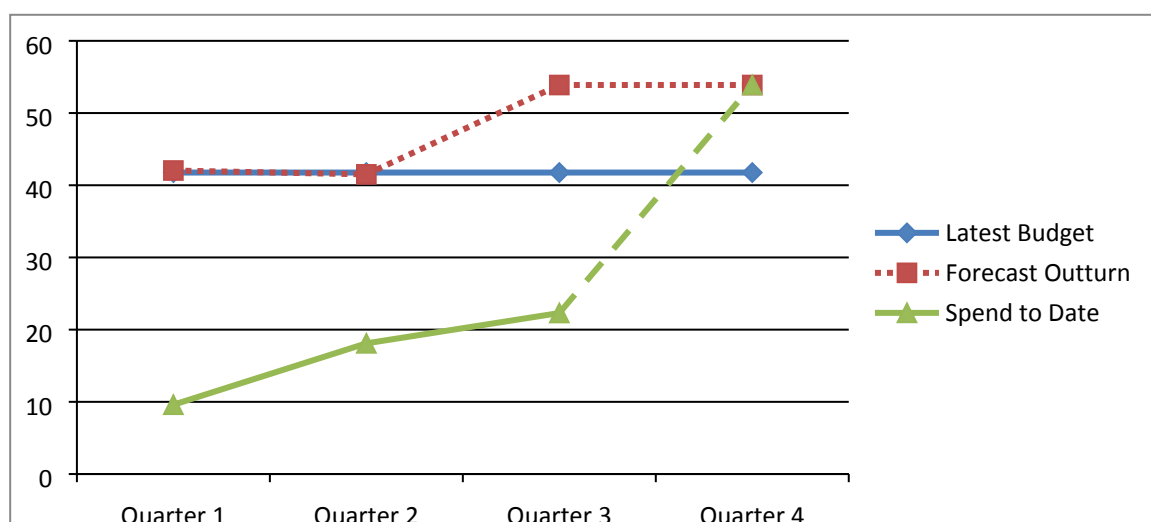
- 1.9.4 Customer Services and Service Transformation are £80k under profile, this is due to a combination of timing difference of spend and receipt of invoices.
ICT Services shows a net £460k (some of which will be capitalised at year end) overspend against profile which relates to a planned increased staffing cost, which will be shared with Three Rivers District Council under the shared services agreement. Included in this amount is also costs that relate to Watford only, the full effect is shown in Appendix 1a.

Strategic Finance

- 1.9.5 There is a timing difference between housing benefits awards and the reimbursement from central government, which results in an unfavourable of £1.485 million.

2.0 Capital Programme

- 2.1 The Council has an approved capital investment programme that is designed to support the core services. The original capital programme for 2017/18 (as approved by Council in January 2017) was **£24.668 million**. Following re-phasing from 2016/17 which was approved by Cabinet on 3 July 2017, the latest budget is **£41.758 million**.
- 2.2 The forecast outturn is estimated to be **£53.882 million** which is **£12.123 million** higher than the latest budget. This is mainly due to the purchase of two properties in Wallington & Wakefield.
- 2.3 The Council's medium term capital investment programme for 2017-2021 is shown at summary level in **Appendix 2** and by each scheme at **Appendix 3**, together with an update on each scheme.
- 2.4 As at end of November services have spent **£22.269 million** against the latest budget of £41.758 million, which represents 53% of this budget. Of the total spend to date; £12.415 million relates to the property purchases.
- 2.5 The graph below shows the Council's latest budget, the forecast outturn and the actual spend to date for the current financial year (2017/18). The expenditure to date has been extrapolated (dashed line) to show it meeting the forecast position.



Funding the Approved Capital Programme

- 2.6 The capital programme is mainly supported by three income streams; capital receipts (derived from the sales of assets), grants and contributions, and the use of reserves. Services can also make a contribution to capital from surplus revenue funds if needed. In addition the Council may borrow to fund its capital programme. Borrowing maybe required for 2018/19, although it is anticipated that this will be funded from internal cash resources. Any decision on borrowing will be taken if and when the need arises.

2.7 The largest source of funding is from the capital receipts reserve which has accumulated over the years by the disposal of the Council's surplus assets.

2.8 The table below shows the forecasted position of the capital receipts reserve as it supports the capital spending. The details of each funding stream are shown at **Appendix 4**.

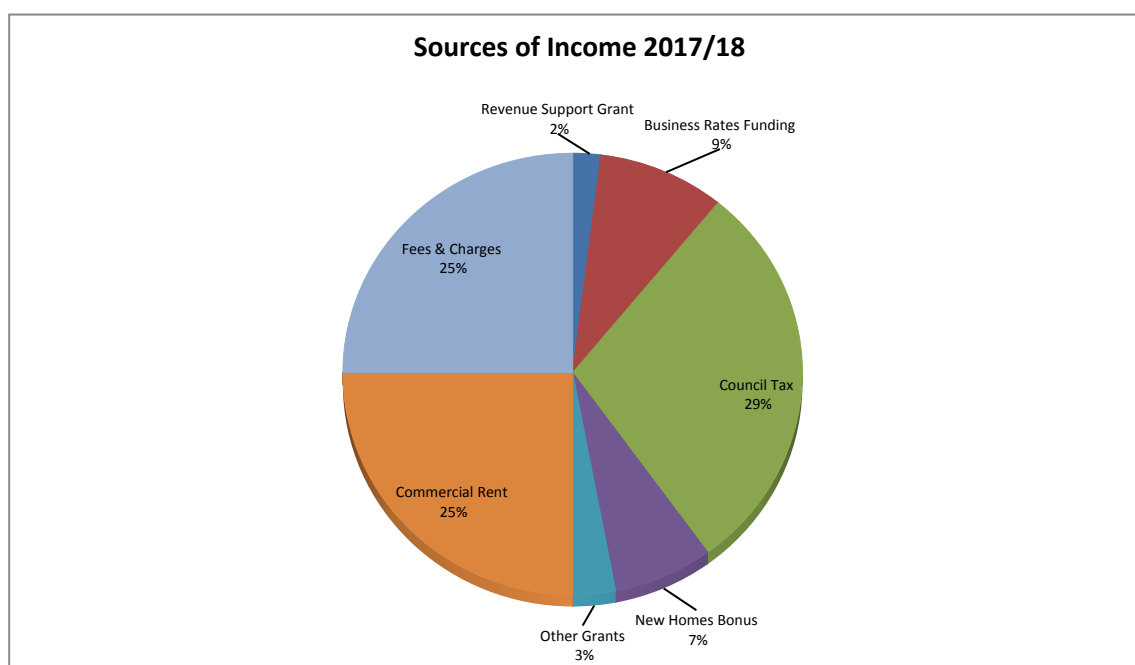
Capital Receipts Reserve	2017/18 £000
Balance at 1 April 2017	11,967
In Year Receipts	10,127
Used to Finance Capital Spend	(14,193)
Balance at 31 March 2018	7,901

3.0 Council Income

3.1 In providing its services to the public, the Council receives income from the Government, its local tax payers, customers who pay for using chargeable Council services and income from commercial rents and investments.

3.2 The total of all these sources of income for 2017/18 is £28.548 million. The three biggest sources of income are council tax, commercial property rents and service fees and charges. It should be noted that although the Council will receive £0.565 million in Revenue Support Grant for 2017/18 this will reduce to zero by 2019/20.

3.3 The chart below shows the percentage of the total amount of income for each source of income.



Department	Income Stream	Latest Budget 2017/18	Forecast 2017/18	Profiled budget (P8)	Actuals to date (P8)	Comments on Actuals to Profile
		£	£	£	£	
Place Shaping & Performance	Rent <i>Rents form commercial property including Intu as well as rental income from multi storey car parks.</i>	7,902,093	8,094,187	5,430,163	5,069,710	Timing difference in transfer from rents payable by LSH to WBC
	Car Parking <i>Income relates to the Council's surface car parks as well as the Parking Shop</i>	1,583,900	1,717,400	799,433	945,714	Additional income expected as per revised forecast
	Development Section <i>Income from planning applications, building control and land charges</i>	890,500	1,282,000	593,667	1,177,467	Increase in application fees mainly due to some larger applications. The forecast reflects this change
Community & Environmental	Environmental Health & Licensing <i>Income from all Licensing activities including hackney Carriage (taxis), pest control and fixed penalty notices for environmental crime.</i>	441,750	574,950	281,500	438,045	Increased fee from Licence act 2003 – revision on how income is allocated in year. This increase is reflected in the forecast.

Debtors (invoicing)

The Council charges its customers for various services by raising a debtor invoice. The customer is given 21 days to pay and unless there is a dispute, a reminder is issued. If the debt remains outstanding, then a variety of recovery methods are employed including: rearranging the payment terms; stopping the provision of the service or pursuing the debt through legal recovery processes.

As at the 30 November 2017 the total outstanding value of debt was **£1.061 million** of which £0.771 million (72.6%) is less than one month old and therefore it is anticipated that this will be recovered. Outstanding debt over a year old is £0.237 million and equates to twenty two per cent of the total. The table below shows a summary of the outstanding debt by the three main aged categories and further detail can be found at **Appendix 5**.

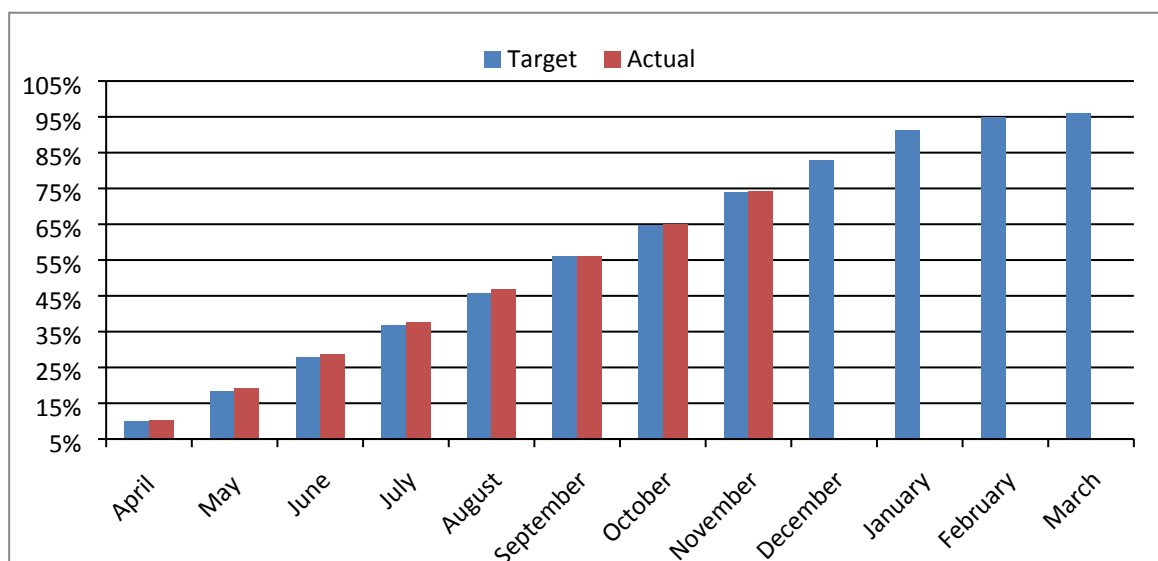
Aged Debtors At the end of November	Under 1 Month	Over 1 month to Year	Over a Year	Total
Service	£	£	£	£
Community & Environmental	103,348	21,253	30,446	155,047
Democracy & Governance	26,988	0	3,176	30,164
Place Shaping & Performance	639,407	26,144	199,323	864,875
Human Resources	0	4,520	0	4,520
Strategic Finance	1,735	1,167	3,638	6,540
Total	771,478	53,085	236,584	1,061,147

- 3.7 The main debts over 12 months old relate to temporary accommodation charges and Watford Indoor Bowls Club – this is being discussed with the club. By excluding this long term debtor from the debt portfolio it reduces the total outstanding debt to **£0.862 million** and the debts over a year old to 4% of the total.

Council Tax and Business Rates Collection

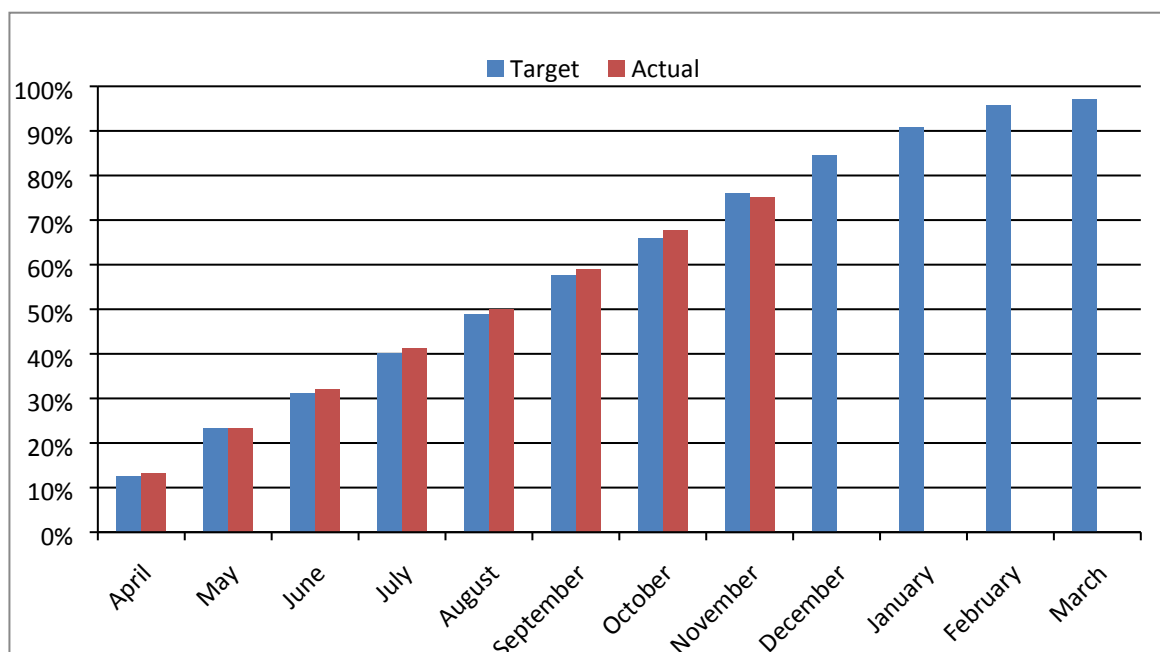
Council Tax Collection

- 3.8 The Council's performance in the collection of **Council Tax** can be seen in the following chart. It shows the collection % to date along with the target for the year. The actual income collected as at 30 November 2017 is 74.1% of the annual target and is just above the profiled target of 73.8%. Further information can be found at **Appendix 6**.



Business Rates Collection

- 3.9 The Council's performance for **business rates** collection is shown in the following chart. The actual income collected as at 30 November 2107 is 75.0% of the annual target which is just below the profiled target of 76.0%. Further information can also be found at **Appendix 6**.



4.0 Treasury Management

- 4.1 The interest earned on the investments made by the Council supports the funding of the services it provides. The target rate of earning interest rate is 0.37%. Up to the end of November, the average annualised interest rate earned on investments was 0.62%. This is due to having to hold large amounts of funds on call pending property investments.
- 4.2 The Council set a budget of **£220,000** on investment interest for 2017/18. The amount earned up to the end of November was **£257,900**.
- 4.3 There is no change to the forecast at this stage as it's anticipated that the Council will be releasing its funds in the next six months to support the Council's major capital projects.

5.0 Key Risk Areas

- 5.1 Resources are allocated in the revenue and capital budgets to support the achievement of the Council's corporate plan. The Council's budget is exposed to risks that can potentially impact on service level provision. The key financial risks are shown at **Appendix 7** together with a risk matrix that shows the likelihood and impact of each risk if they were to materialise.
- 5.2 Particular service areas of risk are monitored monthly; these are predominantly income generating where demand for a particular service can fluctuate depending on the economic climate, popularity and affordability i.e. planning fees.
- 5.3 The main 3 risks that are considered the most critical and their financial position are shown in the table below. The latest position of all the key risks is shown in **Appendix 8**.

Risk Area	Latest Budget	Forecast Outturn	Variance	Comment
	£000	£000	£000	
Temporary Accommodation	390	390	0	On target as per current activity levels
Development Control Fees	(890)	(1282)	(392)	Increase in planning fees due to a few large applications and buoyant market.
Commercial Rent	(7,902)	(8,094)	192	Net variance to reflect various changes as per report

Report prepared by: Pritesh Shah – Finance Manager

Report reviewed by: Bob Watson – Head of Finance

Background Papers

2016/17 Outturn report

Budget returns from Heads of Service

Budget Report 'Financial Planning' 2017-2020

APPENDICES

- Appendix 1 Revenue Summary – By Service and explanations
- Appendix 2 Capital Programme (2017/18) Summary
- Appendix 3 Capital Programme (2017/18) Detail
- Appendix 4 Capital Funding
- Appendix 5 Aged Debtor Analysis
- Appendix 6 Collection Rates for Council Tax & Business Rates
- Appendix 7 Key Financial & Budgetary Risks
- Appendix 8 Key Service Budget Risks
- Appendix 9 Reserves
- Appendix 10 Glossary of terms

REVENUE SERVICES – FINANCIAL POSITION AT Period 8

	Budgets & Forecast at 30 November P8				Actuals compared to profiled budget at 30 November P8		
Service Area	Latest Budget	Forecast Outturn	Variance		Latest Budget profiled	Actual	Variance
	£	£	£		£	£	£
Service Transformation							
Customer Services	889,880	889,880	0		593,225	540,071	(53,154)
ICT Services	880,250	1,171,430	291,180		718,467	1,177,994	459,527
Service Transformation	418,227	418,227	0		278,818	251,858	(26,960)
Totals - Service Transformation	2,188,357	2,479,537	291,180		1,590,510	1,969,923	379,413
Community & Environmental							
Corporate Services & Client Support	25,000	25,000	0		16,667	100	(16,567)
Contract Monitoring	440,840	590,840	150,000		285,374	275,896	(9,479)
Parks And Open Spaces	1,309,740	1,236,210	(73,530)		736,264	728,674	(7,590)
Leisure	532,746	541,746	9,000		490,923	526,250	35,327
Environmental Hlth & Licensing	1,463,470	1,342,110	(121,360)		829,071	605,789	(223,282)
Culture & Play	887,701	872,701	(15,000)		610,238	544,248	(65,990)
Street Cleansing	1,827,770	1,832,470	4,700		978,513	950,321	(28,192)
Trading Operations	35,227	35,227	0		23,485	(4,713)	(28,198)
Waste And Recycling	2,041,420	1,870,720	(170,700)		1,484,453	936,218	(548,235)
Totals - Community & Customer Service	9,324,574	9,107,684	(216,890)		5,992,584	5,096,576	(896,008)
Democracy & Governance							
Legal And Democratic	1,810,990	1,780,990	(30,000)		979,188	962,047	(17,141)
Buildings And Projects	1,353,415	1,426,135	72,720		942,996	940,978	(2,018)
Procurement	28,420	28,420	0		18,947	17,663	(1,284)
Totals - Democracy & Governance	3,192,825	3,235,545	42,720		1,941,131	1,920,688	(20,443)

	Budgets & Forecast at 30 November P8				Actuals compared to profiled budget at 30 November P8		
Service Area	Latest Budget	Forecast Outturn	Variance		Latest Budget profiled	Actual	Variance
	£	£	£		£	£	£
Place Shaping & Performance							
Housing	1,700,760	1,239,260	(461,500)		1,169,424	537,517	(631,907)
Property Management	423,373	658,850	235,477		328,330	480,312	151,982
Investment Assets Outsourced	(7,539,898)	(7,727,362)	(187,464)		(5,161,456)	(4,844,449)	317,007
Operational Assets - Owner Occupied	(242,545)	(248,175)	(5,630)		(161,024)	(172,914)	(11,890)
Community Assets	(15,820)	(19,530)	(3,710)		(11,867)	(13,785)	(1,918)
Development Section	403,890	12,590	(391,300)		269,259	(404,405)	(673,664)
Transport And Infrastructure	341,320	496,820	155,500		475,353	732,104	256,751
Policy Team	523,420	523,420	0		125,947	24,501	(101,446)
Totals - Place Shaping & Performance	-4,405,500	(5,064,127)	(658,627)		-2,966,034	(3,661,117)	(695,083)
Corporate Strategy & Comms							
Corporate Management	390,191	390,191	0		165,993	237,409	71,416
Partnerships & Performance	641,550	667,000	25,450		427,699	386,558	(41,141)
Totals - Corporate Strategy & Comms	1,031,741	1,057,191	25,450		593,692	623,967	30,275
Human Resources							
Human Resources Client	94,770	94,770	0		63,180	115,819	52,639
HR Shared Service	486,150	494,990	8,840		366,412	363,362	(3,050)
Totals - Human Resources	580,920	589,760	8,840		429,592	479,181	49,589
Strategic Finance							
Finance & Resources	226,520	226,520	0		118,713	91,553	(27,160)
Finance Services Client	842,640	1,007,640	165,000		662,823	712,890	50,067
Revenues And Benefits Client	1,140,600	1,096,920	(43,680)		636,335	2,121,760	1,485,425
Corporate Costs	1,342,263	1,180,120	(162,143)		1,973,622	2,010,569	36,947
Totals - Strategic Finance	3,552,023	3,511,200	(40,823)		3,391,493	4,936,772	1,545,279
GRAND TOTALS	15,464,940	14,916,790	(548,150)		10,972,968	11,365,989	393,021

			APPENDIX 1A
Explanation of Revenue Variance Reported for Period 8 (November) 2017/18			
Service Area	Description	Details of Changes Reported	£
Service Transformation	ICT	Additional expenditure incurred based on Microsoft licencing audit	51,000
		Increased staff cost to deliver a functioning service that delivers acceptable levels of performance. In period 6 it was reported to additionally costs £286,800, this has now been revised to £184,680.	184,680
		Efficiency target will not be met	47,000
		Other Variances	8,500
		TOTAL	291,180
Community & Environmental	Recycling Kerbside	Expected increase in income from recycling credits	(199,800)
		Additional green bin income	(8,000)
	Recycling Banks	Decrease in recycling banks income	5,000
	Refuse - Special Collections	Overestimated income, now reversed	37,000
	Veolia Contract Paymnets	cost on pension 2017/18 - as part of pass through cost	150,000
	Food Safety	Additional income from food safety Certificates	(6,000)
	Pest Control	Saving on supplies & services relating to the pest control contract	(35,000)
		Drop in wasp treatments due to weather conditions & lower take up on rats & mice service since introduction of additional charges	10,000
	Taxi Licensing (inc. Hackney)	Income from Hackney driver licences - all income to be accounted for in year of receipt	(21,000)
		Cost of additional temporary staff to support enforcement work	10,000
	Licensing Act 2003	Revised treatment of receipt income received in year	(37,000)
	Centrepont Community Centre	Income levels to reflect past trends	9,000
	Housing Standards	Additional income from HMO as per revised accounting treatment	(39,000)
	Cemetries	Increase in income epected for the year from sale of grave spaces & burial fees	(75,000)
		Other Variances	(17,090)
		TOTAL	(216,890)
Democracy & Governance	Legal Services	Employee cost saving on Superannuation scheme	(9,000)
		Additional income from S106 applications administration	(15,000)
	Town Hall Office & Council Suite	Overestimation of rental income from the Annex, now reversed	72,000
	Elections	Additional cost related to Election systems maintenance (EROS) which are expected to be higher than than the original allocated budget.	6,000
		Other Variances	(11,280)
		TOTAL	42,720

Explanation of Revenue Variance Reported for Period 8 (November) 2017/18			
Place Shaping & Performance	Property Services	Overestimation of rental income on Charter place	246,000
		Additional rental income from car parking - Faraday rd., Occupation rd. Garage site	(53,000)
		Additional Income forecasted from Harlequin shopping centre	(47,000)
		Additional rental income from the purchase of Wallington & Wakefield	(169,995)
		Loss of rental income Century retail park due to redevelopment	58,847
		Scrutiny fee to LSH on monitoring commercial property	12,000
	Housing	Cost of project manager as part of service design	73,500
	Development Control	Increased income from pre-application advice due to fee changes & stronger market	(30,000)
		Additional planning application fees due to a growing market	(417,000)
		Spend on professional consultancy costs as part of generating additional income	75,000
		Spend on scanning as agreed by LT	8,000
	Parking Service	Increased income for permits, pay&display and income fee	(125,000)
		Parking shop handback & dilapidation costs	34,000
		spend on traffic related projects and project management support as part of the CPZ scheme	220,000
	CCTV	Increased cost of CCTV annual contract and cost of additional monitoring hours	25,000
	Building Control	Additional income expected in year due to a buoyant market	(40,000)
	Land Charges	Income levels expected to remain at 2016/17 levels	10,000
	Housing Service	Expected costs in relation to temporary accommodation will not be incurred	(535,000)
		Other Variances	(3,979)
		TOTAL	(658,627)
Service Area	Description	Details of Changes Reported	£
Corporate Strategy & Comms	Partnership & Performance	To support the delivery of the Corporate Peer Challenge	35,000
		Savings on various budget lines not required	(9,550)
		TOTAL	25,450
Human Resources	HR	Net additional cost on employees	8,840
		TOTAL	8,840
Strategic Finance	Insurance	Premises pollution insurance due in 2017/18	165,000
	Interest Earned	Interest income from the sale of Land- Ascot Rd	(35,000)
	Budget Strategy Items	Budget transferred to reserve to be reallocated once projects are identified	(127,143)
	Taxation	Net additional cost on employees	(43,680)
		TOTAL	(40,823)
		GRAND TOTAL	(548,150)

CAPITAL INVESTMENT PROGRAMME – SUMMARY

Service Area	Service Provision	Latest Budget 2017/18 £	Actual to date £	Latest Budget 2018/19 £	Latest Budget 2019/20 £	Latest Budget 2020/21 £
Service Transformation	Customer Services	167,477	21,146	0	0	0
	ICT Shared Services	598,754	17,612	210,000	210,000	210,000
	ICT Client Services	618,118	76,707	320,000	320,000	320,000
Community & Environmental	Waste & Recycling (inc Veolia)	94,250	31,011	435,505	96,810	96,810
	Parks & Open Spaces	3,644,735	904,786	2,015,000	265,000	265,000
	Cemeteries	0	0	250,000	0	0
	Leisure & Play	864,335	673,751	20,000	0	0
	Culture & Heritage	375,011	11,450	350,000	0	0
	Environmental Health	154,867	11,559	100,000	100,000	100,000
Democracy & Governance	Buildings & Projects	1,080,000	200,880	650,243	400,000	400,000
Place Shaping & Performance	Watford Business Park	4,835,783	1,401,307	4,872,425	0	0
	Watford Riverwell	9,916,785	3,191,469	8,398,000	18,069,000	100,000
	Housing	8,931,531	2,024,866	2,125,000	2,050,000	50,000
	Transport & Infrastructure	464,497	20,664	250,000	0	0
	Development Control	47,021	3,024	50,000	0	0
	Property Investment Board	9,288,866	9,471,966	0	0	0
Strategic Finance	Capital Support Services	675,470	36,229	677,470	679,470	679,470
	Business Systems	0	0	0	0	0
TOTAL CAPITAL PROGRAMME		41,757,500	18,098,425	20,723,643	22,190,280	2,221,280

CAPITAL INVESTMENT PROGRAMME – DETAIL

Capital Scheme	Latest Budget 2017/18	Forecast Outturn	Forecast Variance	Actual to date	Latest Budget 2018/19 (incl rephasings)	Latest Budget 2019/20 (incl rephasings)	Latest Budget 2020/21 (incl rephasings)	Scheme Update
	£	£	£	£	£	£	£	
SERVICE TRANSFORMATION								
Customer Services								
CSI Project	167,477	53,000	(114,477)	21,221	114,477	0	0	Service request for rephasing into 2018/19.
ICT Shared Services								
ShS-Business Application Upgrade	354,314	154,314	(200,000)	(31,066)	365,000	165,000	165,000	Service request for rephasing into 2018/19.
ShS-ICT Modernisation	123,629	123,629	0	53,903	0	0	0	
ShS-Hardware Replacement Programme	120,811	120,811	0	9,234	45,000	45,000	45,000	
ICT Client Services								
ICT-Hardware Replacement Programme	332,992	397,992	65,000	98,040	200,000	200,000	200,000	Re-aligned ICT core infrastructure costs for WBC.
ICT-Project Management Provision	285,126	220,126	(65,000)	144,917	120,000	120,000	120,000	
COMMUNITY & ENVIRONMENTAL								
Waste & Recycling (inc Veolia)								
Replacement Domestic Bins	0	0	0	0	42,185	0	0	
Veolia Contract Fleet Requirements	0	0	0	0	225,000	0	0	
Recycling Boxes	0	0	0	0	36,940	0	0	
Veolia Capital Improvements	94,250	94,250	0	46,517	95,380	96,810	96,810	
Additional Green Waste Bins	0	0	0	0	36,000	0	0	
Parks & Open Spaces								
Allotments & Parks Upgrades	0	7,885	7,885	7,885	0	0	0	Overspend on site works.
Farm Terrace Allotments	0	(86,231)	(86,231)	(86,231)	0	0	0	Accrued expenditure at end of 2016/17 will not now be paid.
Green Spaces Strategy	175,344	140,344	(35,000)	114,145	250,000	250,000	250,000	In year underspend(s) part compensating for overspend on Play Review.
Colne River Project	4,166	0	(4,166)	0	0	0	0	
Local Nature Reserves	6,090	0	(6,090)	0	0	0	0	
Cassiobury Park HLF Project	1,219,135	1,219,135	0	704,626	0	0	0	
Cassiobury Dev't (Fullerians)	200,000	200,000	0	0	0	0	0	
Oxhey Park North Enhancements	25,000	25,000	0	17,970	0	0	0	
Oxhey Park North	2,000,000	500,000	(1,500,000)	294,478	3,250,000	0	0	Service request for rephasing into 2018/19.
Tree Planting Programme	15,000	15,000	0	0	15,000	15,000	15,000	

Capital Scheme	Latest Budget 2017/18	Forecast Outturn	Forecast Variance	Actual to date	Latest Budget 2018/19 (incl rephasings)	Latest Budget 2019/20 (incl rephasings)	Latest Budget 2020/21 (incl rephasings)	Scheme Update
	£	£	£	£	£	£	£	
Cemeteries								
Cemetery Improvements	0	0	0	0	250,000	0	0	
Leisure & Play								
Play Review	478,836	553,836	75,000	550,244	0	0	0	Project overspend on completion.
Gaelic Football Relocation	0	90,000	90,000	27,652	0	0	0	Project slippage and on site variations.
Southwold Road Play Area	0	0	0	0	20,000	0	0	
Ridgehurst Avenue Play Area	10,499	0	(10,499)	0	0	0	0	In year underspend(s) part compensating for overspend on Play Review.
Tennis Courts Enhancement	225,000	225,000	0	675	0	0	0	
Cassiobury Park Play Area	150,000	152,378	2,378	152,378	0	0	0	Additional works required.
	£	£	£	£	£	£	£	
Culture & Heritage								
Watford Museum HLF Matchfunding	125,000	50,000	(75,000)	0	425,000	0	0	Service request for rephasing into 2018/19.
Improvements Community Centres	59,160	0	(59,160)	0	59,160	0	0	Service request for rephasing into 2018/19 as two options still under evaluation.
Cultural Quarter Phase 1	140,851	111,851	(29,000)	108,995	29,000	0	0	Service request for rephasing into 2018/19.
Little Cassiobury Match Funding	50,000	50,000	0	0	0	0	0	
Environmental Health								
ICT-Env Health	5,500	5,500	0	7,000	0	0	0	
Decent Homes Assistance	149,367	124,367	(25,000)	40,437	145,000	100,000	100,000	Service request for rephasing into 2018/19.
DEMOCRACY & GOVERNANCE								
Buildings & Projects								
MP19-6 Town Hall Redevelopment	80,000	130,000	50,000	117,300	0	0	0	Additional spend required prior to major planned capital works for 2018/19 & 2019/20.
Building Investment Programme	1,000,000	625,000	(375,000)	246,381	750,243	675,000	400,000	Budgets re-aligned based on latest programme. Service request for £375k rephasing into 2018/19 & 2019/20.

Capital Scheme	Latest Budget 2017/18	Forecast Outturn	Forecast Variance	Actual to date	Latest Budget 2018/19 (incl rephasings)	Latest Budget 2019/20 (incl rephasings)	Latest Budget 2020/21 (incl rephasings)	Scheme Update
	£	£	£	£	£	£	£	
PLACE SHAPING & PERFORMANCE								
Watford Business Park								
Watford Business Park	4,835,783	5,295,399	459,616	3,496,127	4,412,809	0	0	Budget rephasing from 2018/19 to pursue purchase opportunity.
Watford Riverwell								
Watford Riverwell Project	9,916,785	8,113,072	(1,803,713)	3,897,777	10,930,713	3,281,000	14,159,000	The Watford Riverwell project is closely monitored by both the Council and our LABV partner, Kier Construction. This has required various rephasings to re-align budgets with latest project deliverables.
Housing								
Private Sector Stock Condition	108,800	88,800	(20,000)	0	0	0	0	Budget re-allocation to different service area.
Retained Housing Stock	192,104	192,104	0	113,988	50,000	50,000	50,000	
Mandatory Disabled Facilities Grant	555,627	600,485	44,858	270,871	0	0	0	Service transfer to Herts Home Improvement Agency at end of March 2018. Variance supported by funding from Herts CC.
York House Boiler Replacement	0	0	0	0	75,000	0	0	
Transport & Infrastructure								
Clarendon Road Streetscape Improvements	18,000	0	(18,000)	0	18,000	0	0	
Intro Electric Vehicle Charging	31,182	7,400	(23,782)	4,624	23,782	0	0	Service request for rephasing into 2018/19.
Pop Up Toilets Refurbishment	30,000	0	(30,000)	0	0	0	0	Budget no longer required.
High Street Enhancement	250,000	250,000	0	234,919	250,000	0	0	
Upgrading/Resurfacing Car Parks	14,573	14,573	0	10,000	0	0	0	
Match Funding Capital Projects	73,116	73,116	0	73,116	0	0	0	
Goodwood Parade Enhancement Project	9,000	9,000	0	0	0	0	0	
Watford Junction Cycle Pk Hub	38,626	38,626	0	23,000	0	0	0	
Development Control			0					
CIL Review	30,000	30,000	0	0	50,000	0	0	
Property Investment Board								
PIB Investment Strategy	9,288,866	24,076,413	14,787,547	9,460,501	0	0	0	See Memorandum Item below.
Property Management								
New Market	17,021	17,021	0	2,552	0	0	0	
Non PIB-Strategy & Programme Disposal	0	0	0	397	0	0	0	
120-122 Exchange Road	0	16,700	16,700	16,667	0	0	0	Lease surrender 120-122 Exchange Road.
Modular Housing Accommodation	2,000,000	1,528,531	(471,469)	108,531	2,000,000	2,000,000	0	Re-allocation of budget to fund housing property acquisitions.
Loan to HHW	6,075,000	6,000,000	(75,000)	1,500,000	0	0	0	Loan to Hart Homes is £6m
Temp Housing Accommodation	0	1,465,467	1,465,467	356,147	0	0	0	Housing property acquisitions funded in part by disposal proceeds and S106 funding.

Capital Scheme	Latest Budget 2017/18	Forecast Outturn	Forecast Variance	Actual to date	Latest Budget 2018/19 (incl rephasings)	Latest Budget 2019/20 (incl rephasings)	Latest Budget 2020/21 (incl rephasings)	Scheme Update
	£	£	£	£	£	£	£	
STRATEGIC FINANCE								
Capital Support Services								
Support Services	552,470	552,470	0	0	552,470	552,470	552,470	Recharges carried out at year end.
Major Projects - FBP and QS	123,000	123,000	0	53,890	125,000	127,000	127,000	
Business Systems								
Financial Systems Upgrade	0	87,000	87,000	0	0	0	0	Upgrade requirements to business systems.
TOTAL CURRENT CAPITAL PROGRAMME	41,757,500	53,882,364	12,124,864	22,269,810	24,961,159	7,677,280	16,280,280	

CAPITAL INVESTMENT PROGRAMME – FUNDING

Funding Type	2017/18 Forecast Outturn £	2018/19 Latest Budget £	2019/20 Latest Budget £	2020/21 Latest Budget £
EXTERNAL BORROWING FROM PWLB	0	0	0	0
GRANTS & CONTRIBUTIONS	1,477,470	159,502	84,000	84,000
RESERVES	4,112,113	1,312,040	0	0
CAPITAL RECEIPTS (Non PIB)	15,392,847	23,469,617	7,593,280	16,196,280
CAPITAL RECEIPTS (PIB)	0	0	0	0
LOCAL ENTERPRISE PARTNERSHIP (LEP) LOAN	0	0	0	0
INTERNAL BORROWING	32,205,933	0	0	0
S106 CONTRIBUTIONS INCL CIL	694,002	20,000	0	0
TOTAL CAPITAL FINANCING	53,882,364	24,961,159	7,677,280	16,280,280

AGED DEBT ANALYSIS

Invoices Outstanding from 1st December 2016 to 30th November 2017								
Service Area	Description	Invoices outstanding by age of debt						
		0 - 1	2 - 3	4 - 6	7 - 9	10 - 12	Over 12	Grand Total
Community & Environmental	Community and Customer Service	74,583	0	882	3,418	7,064	23,325	109,271
	Env Services-Premises Licence	26,825	4,180	1,604	350	1,662	3,657	38,278
	Environmental Health	1,940	1,170	825	98	0	3,465	7,499
Democracy and Governance	Democracy and Governance	26,988	0	0	0	0	3,176	30,164
Place, Shaping & Performance	Housing	383,003	2,254	3,963	0	0	1,559	390,779
	Property (exc. Commercial rent)	118,837	0	0	50	0	53	118,940
	Property - Commercial Rents	5,520	0	0	13,161	0	197,711	216,392
	Property - Parking Spaces	550	0	0	0	0	0	550
	Planning (exc. Inspection fees)	0	0	0	0	3,175	0	3,175
	Planning - Inspection Fees	131,497	1,835	90	1,617	0	0	135,039
Human Resources		0	1,320	900	2,300	0	0	4,520
Strategic Finance		1,735	588	25	554	0	3,638	6,540
Grand Total		771,478	11,346	8,289	21,549	11,901	236,584	1,061,147
Percentage of Amount Outstanding		72.70%	1.07%	0.78%	2.03%	1.12%	22.30%	100.00%

COLLECTION RATES FOR COUNCIL TAX AND BUSINESS RATES

Council Tax Collection - Percentage of current year council tax collected by period													
	Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Target	96.0	10.0	18.4	27.8	36.7	45.8	55.9	64.8	73.8	82.9	91.3	94.7	96.0
2017/18 Actual		10.3	19.1	28.6	37.7	46.9	55.9	65.0	74.1				
On Target													

Business Rates - Percentage of current year business rates collected by period													
	Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Target	97.0	12.5	23.3	31.2	40.2	48.8	57.6	65.9	76.0	84.6	90.8	95.7	97.0
2017/18 Actual		13.2	23.3	32.0	41.2	49.9	58.9	67.7	75.0				
On Target													

'On target' has a RAG rating whereby the underachievement of the target is based on the following thresholds.

RAG	% below target	
Red	More than 5%	
Amber	2% to 5%	
Green	Less than 2%	

KEY FINANCIAL & BUDGETARY RISKS

Risk No.	Type of Risk	Comment	Impact	Likelihood	Overall Score
1	Revenue balances insufficient to meet estimate pay award increases	The medium term planning period takes into account a 1% increase for the period 2017/18 to 2019/20	3	2	6
2	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	2	2	4
3	Interest rates resulting in significant variations in estimated interest income	The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy continues to place uncertainty on the investment strategy.	2	3	6
4	Inaccurate estimates of fees and charges income	Key income streams are shown in the latest Finance Digest	3	3	9
5	Revenue balances insufficient to meet loss of partial exemption for VAT	If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vat able expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs.	3	1	3
6	The estimated cost reductions and additional income gains are not achieved	Savings identified and included in the budget will be monitored as part of the budget monitoring process	3	3	9

Risk No.	Type of Risk	Comment	Impact	Likelihood	Overall Score
7	The Council is faced with potential litigation and other employment related risks	The Council has one outstanding litigation case.	3	2	6
8	The amount of government grant is adversely affected	The grant settlement for 2017/18 and provisional settlements for 2018/19 and 2019/20 have been factored into the MTFP. The Council decided to accept the Government's offer of a four year settlement.	3	1	3
9	Right to Buy Receipts & VAT Shelter Receipts	Under the housing stock transfer with Watford Community Housing (WCH) the Council is entitled to use its share of the proceeds to fund the capital programme. The level of activity on these income streams are outside the Council's control.	3	2	6
10	Fluctuations in Business Rates Retention	The Council is legally obliged to cover the first 7.5% loss on its pre- determined baseline level.	2	2	4

Note: 1= Very Low Risk 16= Very High Risk.

Key Financial Risk Areas					
The Council is exposed to risks in certain key areas. These risks include economic conditions, demographics and dependency on demand. The table below shows those risks that are closely monitored each month and the variances between the latest budget and the forecast outturn at Period 8 .					
Service Area	Latest Budget	Forecast Outturn	Forecast Variance Period 8.	Actuals to Date	Comments
	£000's	£000's	£000's	£000's	
Parks, Street & Waste Services	5,931	6,081	150	3,023	The invoices for October & November will be paid in December 2017. The variance is additional costs in relation to pension.
Kerbside Recycling Expenditure and Income	(201)	(418)	(217)	(136)	The Herts CC (Alternative Financial Model) income for Kerbside Recycling across the County is not received until the end of the year. Additional income is being forecasted via the model.
Temporary Accommodation (net)	389	354	(35)	218	On Target at Q2.
Development Control Fee Income	(520)	(870)	(350)	(766)	The forecast income for 2017/18 has been revised due to a few large applications that have been received in the first half of the year.
Building Control Fee Income	(232)	(268)	(37)	(232)	The forecast income for 2017/18 has been revised due to favourable market conditions.
Land Charges Fee Income	(120)	(110)	0	(96)	On Target as per forecast as reported at Q2.
Commercial rent income	(8,701)	(8,823)	(123)	(5,558)	Due to the outsourcing of the property management contract there is a timing difference in the receipt of rental income.

RESERVE BALANCES

Description	Balance at 1 April 2017 £000	Use of/contribution to in Year £000	Movement between Reserves £000	Balance at 31 March 2018 £000	Purpose
Capital Reserves					
Capital Fund	(650)	0	0	(650)	Funding key capital projects
Development Sites Decontamination	(446)	446	0	0	Decontamination costs where the Council is liable
New Homes Bonus	(4,069)	3,533	0	(536)	Additional grant set aside for capital
Performance Reward Grant (Capital)	(141)	0	0	(141)	Grant allocated by Local Strategic Partnership
Vehicle Replacement	(182)	0	0	(182)	Funding replacement of vehicles
Weekly Collection Support Grant (Capital)	(53)	0	0	(53)	Supporting weekly collections of waste
Capital Receipts	(11,966)	4,066	0	(7,900)	Funding the capital investment programme
Section 106	(681)	54	0	(627)	Developers contributions towards facilities
Community Infrastructure Levy	(552)	(600)	0	(1,152)	Developers contributions towards infrastructure
Grants & Contributions	(441)	(206)	0	(647)	Other contributions e.g. Disabled Facility Grants
Total	(19,181)	7,293	0	(11,888)	
Revenue Reserves					
Budget Carry Forward	(887)	887	0	0	Budgets carried forward from prior years
Car Parking Zones	(907)	129	0	(778)	Statutory, ring fenced for parking costs
Charter Place Tenants	(160)	0	0	(160)	Tenants' contributions to major works
Climate Change	(57)	0	0	(57)	Energy saving initiatives
Leisure Structured Maintenance	(423)	0	0	(423)	Funding maintenance not in contract
Le Marie Centre Repairs	(12)	0	0	(12)	Funding Council obligations as landlord
Multi-Storey Car Park Repair	(181)	0	0	(181)	Funding major structural works
Rent Deposit Guarantee Scheme	(100)	0	0	(100)	Assist in providing homelessness accommodation
Area Based Grant	(86)	0	0	(86)	Extremism and anti-social behaviour prevention
Crematorium	(50)	(50)	(50)	(150)	Funding repairs and maintenance
Economic Impact	(750)	(717)	(721)	(2,188)	Provide resources to offset economic downturn
Housing Benefit Subsidy	(996)	0	0	(996)	If Department for Work & Pensions claw back funds
Housing Planning Delivery Grant	(266)	0	0	(266)	Improve planning outcomes and delivery of housing
Homelessness Prevention Reserve	(112)	0	112	0	Homelessness projects
Invest to Save	(839)	0	0	(839)	Support expenditure producing savings
LA Business Growth Incentive (LABGI)	(569)	0	569	0	Business growth initiatives
Local Development Framework	(178)	0	0	(178)	Support local plan production and inspection
Pension Funding	(2,249)	0	0	(2,249)	Reduction of pension deficit
Performance Reward Grant (Revenue)	(29)	0	0	(29)	Grant allocated by Local Strategic Partnership
Project and Programme Management	(359)	232	0	(127)	Support major project work
Parks, Waste & Street Strategy	(60)	0	0	(60)	Support Street Projects
High Street Innovation	(90)	0	90	0	High Street projects
Riverwell Project	(284)	(2,873)	0	(3,157)	Supporting project
Weekly Collection Support Grant (Revenue)	(30)	0	0	(30)	Supporting weekly collections of waste
Total	(9,674)	(2,392)	0	(12,066)	
General Fund Working Balance	(1,412)	0	0	(1,412)	
Total Revenue Reserves	(11,086)	(2,392)	0	(13,478)	
Total	(30,267)	4,901	0	(25,366)	

GLOSSARY OF TERMS

<i>Accounting period</i>	The timescale during which accounts are prepared or reported on.
<i>'Accounts Payable'</i>	The section and/or system within the Council that is responsible for paying the Council's creditors and invoices raised against the Council.
<i>'Accounts Receivable'</i>	The section and/or system within the Council that is responsible for invoicing and collection from the Council's debtors and for invoices raised by the Council.
<i>Accrual</i>	The recording within the accounts of the Council the cost of goods or services received and for which an invoice has been received but for which payment has not yet been made.
<i>Accrual accounting</i>	The practice of accounting for goods and services when they are received/provided rather than when they are paid for/payment received.
<i>Asset</i>	a present, economic resource of the Council to which it has a right or other type of access that other individuals or organisations do not have.
<i>Balances</i>	A figure representing the difference between credits and debits in an account; the amount of money held in an account. Also known as 'financial reserves'.
<i>Base budget</i>	Estimate of the amount required to provide services at current levels. Can also be referred to as 'rollover budget'.
<i>Budget Monitoring</i>	The process comparing of actual income and expenditure against budget; used to support budgetary control.
<i>Business Rates/NDR*</i>	Rates are payable on non-domestic property including libraries, offices, schools. The level of business rates is set by the Government and collected by the District Councils on their behalf. The money is then re-allocated to authorities in accordance with resident population as part of the annual financial settlement.

<i>Capital Asset</i>	Capital or Fixed assets are long-term resources, such as plant, equipment and buildings.
<i>Capital Charges</i>	A charge to services to reflect the cost of fixed assets used in the provision of those services
<i>Capital expenditure</i>	Expenditure on items that create an asset which has a long-term benefit of more than one year.
<i>Carry forward [of budget]</i>	Budgets unspent in a prior year that have (once approved) been added to the current year budget. Strict rules on what can be 'carried forward' apply.
<i>Chart of accounts</i>	The hierarchy of recording income and expenditure within the Council's accounts. The main distinctions are between fund e.g. County fund, Pension Fund; objective e.g. service or cost centre; subjective e.g. the classification of expenditure between salaries, equipment, stationery, fuel costs etc.
<i>Commitment</i>	A commitment to spend occurs when an order is raised
<i>Cost centre</i>	A collection of subjective codes (<i>qv</i>) linked to a particular service or sub-service area.
<i>Creditor</i>	A person or company to whom the Council owes money.
<i>Debtor</i>	A person or company who owes money to the Council
<i>Depreciation</i>	The accounting method of amortising the value of an asset over its useful life
<i>Ear marking</i>	Setting aside for specific purposes
<i>Financial Regulations</i>	Rules of financial management that apply to all officers and members of the Council. These can be found on the intranet.
<i>Financial Year</i>	Period of twelve months commencing on 1 April and ending 31 March the following year.
<i>Forecast Outturn</i>	A projection of anticipated expenditure incurred and income received to provide an estimate of the service position at the end of the year compared to the planned budget.
<i>Funding</i>	Source of income to support service expenditure – can be capital or revenue
<i>General Fund</i>	The main revenue account of the Council through which day to day transactions are conducted.
<i>General Ledger</i>	A collection of accounting records detailing the authority's transactions and balances

<i>Internal Audit</i>	A team that works to protect the Council's assets and assist managers in improving their use.
<i>Invoice</i>	A bill – a request for payment for goods or services received
<i>Journal</i>	The transfer of income or expenditure from one code to another more appropriate code.
<i>Medium Term Financial [Plan][Strategy]</i>	The Council's plan for the management of its resources during the next 3 years, which remains under rolling review, and links to the service planning process.
<i>Liability</i>	The Council's financial debt or obligations that arise during the course of its business operations. Liabilities are settled over time through the transfer of economic benefits including money, goods or services.
<i>NDR</i>	Non-Domestic Rates – see business rates (<i>qv</i>)
<i>Profile</i>	A term used to describe the pattern of expenditure or income that is expected to occur over a period of time
<i>[The] Prudential code</i>	The authority which enables the Council to set its own borrowing limits as part of the budget making processes.
<i>Reserves</i>	Amounts set aside for general contingencies and to provide for working balances, or can be earmarked for specific future expenditure.
<i>Resources</i>	Includes cash, staff, equipment, property, stocks, etc.
<i>Revenue expenditure</i>	Expenditure on 'day-to-day' items required to support the running of the Council services
<i>Revenue Support Grant (RSG)</i>	The Revenue Support Grant (RSG) - a Government grant providing general support for Council services.
<i>Subjective Code</i>	A code describing expenditure or income by type e.g. salaries costs, premises costs. Can also be called "accounting code"
<i>Supplementary Estimate</i>	An in-year increase in budget – normally necessitated by a new burden or an in-year pressure not identified at budget setting. These must be approved by Council.
<i>Ultra Vires</i>	A Latin term meaning 'beyond the powers'.

<i>Variance</i>	Difference between budget and actual income or expenditure. May be favourable (more income or lower spend than budgeted) or unfavourable/adverse (less income or more spend than budgeted)
<i>Virement</i>	Formal transfer of funds from one budget to another. Does not change the Council's overall budget.
<i>Zero based budgets</i>	The construction of a budget based on the needs of the Council without reference to previous expenditure history.



BUDGET PANEL

16 January 2018

CABINET

22 January 2018

COUNCIL

30 January 2018

FINANCIAL PLANNING

**Council Finances 2017/18-2020/21: Medium Term Financial Strategy
Treasury Management Strategy 2018/19**

Part A

Report to: Cabinet
Date of meeting: 22 January 2018
Report of: Director of Finance
Title: Financial Planning

1.0 SUMMARY

- 1.1 The purpose of this report is to enable the Cabinet to consider service level expenditure, funding and council tax levels for the medium term 2018/19 to 2020/21, including the use of reserves. This budget is a component part of the 2018/19 Council Tax calculations.
- 1.2 The report sets out:
- the revenue budgets for the period 2018-21 and a revised budget for 2017/18
 - the capital programme for the period 2018-21
 - the Council's income charging policy (including the individual service fees and charges)
 - the Treasury Management Strategy 2018/19
- all of which are subject to Council approval.
- 1.3 The Cabinet is recommended to agree the Council Tax Base to apply for 2018/19.
- 1.4 The report includes advice from the Director of Finance on the adequacy of general reserves and balances in the context of the three year planning horizon 2018-21.

2.0 Risks

- 2.1 The potential risks in this report are shown below; (based on a calculation of severity of impact (1 – 4) and likelihood of risk materialising (1 - 4); 1= very low risk, 16 = a very high risk)

Nature of Risk	Consequence	Suggested Control Measures	Response (Treat, tolerate, terminate, transfer)	Risk Rating (combination of severity and likelihood)
That Cabinet does not agree the council tax base before the statutory date	The Council tax charge is not set	Revert to prior year's tax base	Treat	1
That Cabinet does not recommend revenue and capital estimates for 2018/19 to Council	The Council does not legally set a budget	Revert to previous MTFS	Treat	1
That the Council will exceed its borrowing parameters	Breach of Treasury Management Strategy (TMS)	Revision of TMS Prudential indicators	Treat	1
That the Council will be unable to service its annual borrowing costs	Budget Pressure	Provision in MTFS for anticipated borrowing	Tolerate	1
Investment with a counterparty that subsequently defaults	Recovery of principal will take longer	Invest in accordance with TMS	Tolerate	2
That the estimates used in the preparation of the	Budget not correct	Mitigate through in	Treat	3

report will not be sufficiently accurate.		year budget monitoring . Reset Budget at period 8		
That the Council will not have adequate reserves to manage emerging risks.	Reserves diminish	Increase general fund balance to £2M	Treat	3

3.0 RECOMMENDATIONS

That Cabinet:

- 3.1 Delegates to the Director of Finance and Portfolio Holder the ability to amend the budget figures in accordance with decisions taken at the Cabinet meeting and any minor variations that may occur before the Council meeting.

That Cabinet recommends

That Council:

- 3.2 Resolves in accordance with the *Local Authorities (Calculation of Tax Base) Regulations 1992*, the amount calculated by Watford Borough Council as its Council Tax Base for the year 2018/19 is **32,393.9** as outlined in the report.
- 3.3 Approves the continuation of the Local Council Tax Reduction Scheme for 2018/19.
- 3.4 Approves the estimate of the surplus position on the Collection Fund.
- 3.5 Approves the budget (**Attachment 1**) as laid out in the report, including:
- the base budget for 2018/19
 - the growth and savings
 - the Capital Investment Programme 2017-21
- 3.6 Approves the schedule of fees and charges (**Attachment 2**) and to delegate authority to the Director of Finance in conjunction with the Managing Director and the Portfolio Holder (Resources) to implement any recommendations emanating from a full review of the Council's discretionary fees and charges.
- 3.7 Approves the strategy for flexible use of capital receipts.
- 3.8 Agrees to increase the annual Council Tax for a Band D property in 2018/19 by 2.99%. This will apply to all other bands.
- 3.9 Approves the creation of an enhanced band 11 pay band for some of the section head posts within the Council. (**Attachment 4**)
- 3.10 Approves to delegate to the Managing Director in consultation with the Director of Finance authority to provide parental guarantees for the Council's projects as required subject to those guarantees complying with an approved business plan.

- 3.11 Notes the key risks identified and approves their proposed mitigations.
- 3.12 Notes the advice provided by the Director of Finance on the robustness of estimates and the adequacy of reserves
- 3.13 Notes the indicative budgets for 2019/20 and 2020/21.
- 3.14 Approves the Treasury Management Strategy for 2018/19 (**Attachment 3**). Within this strategy Council is requested to:
- delegate authority to the Portfolio Holder, in consultation with the Director of Finance, to approve any variation to the Treasury Management Strategy during the year with the objective of maximising the Council's returns without significantly increasing risk. Any changes will be notified to Council at the earliest opportunity.
 - approve the Council's Minimum Revenue Provision (MRP) Strategy and Policy Statement (para 2.3 of the Treasury report).
 - approve the Council's treasury prudential indicators (para 3.3 of the Treasury report)
 - approve the Annual Investment Strategy (para 3.5 of the TMS report) including the counterparty list contained in the Annex A to the report (Treasury Management Practices 1).
 - approve the flexibility for the Property Investment Board to invest treasury funds within its scheme of delegation.

4.0 CONSULTATION

- 4.1 Budget Panel has been fully engaged throughout this process and feedback from its meeting will be circulated prior to the Cabinet meeting.
- 4.2 As part of the statutory consultation with business ratepayers, copies of this report have been sent to the Watford Business Improvement District, the Watford Chamber of Commerce and the borough's Local Strategic Partnership-One Watford. Any feedback will be reported at the meeting.

5.0 IMPLICATIONS

5.1 Financial Implications

These are covered within the report.

5.2 Legal Implications

- 5.2.1 In the Constitution it is Council who is required to set the budget, which includes the Council Tax Base and setting the level of Council Tax. Cabinet therefore must forward its recommendations on the budget to Council. The Constitution also requires that any recommendation from Cabinet to Council regarding the budget must be submitted before the 8 February in the preceding financial year to enable the Mayor to have the opportunity to call in any decision of Council on the budget. The Council must set its 2018/19 budget by 11 March 2018. The Local Council Tax Reduction Scheme has to be approved by Council by 31 January

each year for the next financial year.

- 5.2.2 It is a statutory requirement that the Treasury Management Strategy and Treasury Management Practices are reviewed annually. The report meets the requirement of CIPFA's Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and complies with the Local Government Act 2003.
- 5.2.3 It is a statutory requirement that the Chief Financial Officers provides a report under Section 25 of the Local Government Act 2003 on the robustness of estimates used in the budget and the sufficiency of the Council's reserves. This is included in the report.
- 5.2.4 Under Section 15 of the Local Government Act 2003 which offers authorities the opportunity to use Capital Receipts more flexibly to fund the costs which generate ongoing savings for authorities, subject to the expenditure qualifying under the guidance and a strategy being approved by Council. The strategy for 2018/19 is included in the report.

6.0 Equalities

- 6.1 Watford Borough Council is committed to equality and diversity as an employer, service provider and as a strategic partner. In order to fulfil this commitment and its duties under the Equality Act 2010 it is important to demonstrate how policies, practices, and decisions impact on people with different protected characteristics. It is also important that the Council is not discriminating unlawfully when carrying out any of its functions.
- 6.2 This report provides an over view of Budget proposals and equalities issues will need to be specifically considered before any changes to existing service levels are introduced.

Contact Officers:

For further information on this report please contact:-

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Report approved by Joanne Wagstaffe, Director of Finance.

Attachments:

- 1. Budget Setting report
- 2. Income Charging Policy
- 3. Treasury Management Strategy 2018/19
- 4. Section Head Pay – Proposal for an Extended Pay Band

BUDGET SETTING

2017/18 to 2020/21

Medium Term Financial Strategy



Watford Borough Council · TOWN HALL · WATFORD, HERTS WD17 3EX

A table of contents is shown below together with the appropriate page number.

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Executive Summary

The Medium Term Financial Strategy (MTFS) provides Members with information on the overall financial position of the Council over the next three years, and brings together the previous budget set by Council in January 2017, the budget monitoring activities carried out during the current year and the latest developments in funding, legislation and service delivery. The strategy sets the budget for financial year 2018/19 and indicative budgets for the following two years (2019/20 and 2020/21).

Regular budget monitoring reports are presented to both the Council's Leadership Team and Budget Panel throughout the year. The latest budget monitoring report (Finance Digest) is available as at the end of November.

The preparation of the MTFS has been completed against a backdrop of cuts in government funding, increasing pressure on services (for example, the new Homeless Reduction Act 2017) and continuing expectations from stakeholders.

Each year the Council is required to set a realistic, achievable in-year balanced budget and indicative budgets for the following two years. With the reduction in revenue support grant funding Heads of Service have been encouraged to remain within budgets, find efficiency savings, achieve additional income and to minimise any discretionary growth in order to continue to provide value for money services to the public.

Council tax (for a Band D property) was increased by £5 in 2017/18 for the first time since 2010/11. It is currently envisaged to increase it by a further 2.99% in 2018/19 which is in line with the government's assumption of the Council's spending power requirements.

The summary 2018-21 MTFS shown overleaf demonstrates that there is a funding gap over the period.

The 2018-21 MTFS report includes for information and approval:


- The revised budget for 2017/18 which shows a net service cost of **£14.482 million** and net expenditure of **£11.761 million**.
- The service budget proposal for 2018/19 of **£12.301 million** and net expenditure of **£13.520 million**. Further details are shown in the MTFS summary below.
- The fees and charges for services in 2018/19. The schedule of fees and charges, including the charging policy is circulated as a separate document which accompanies this report.
- Corporate budgets which provide for central costs and income such as financing and investment, corporate pension costs, and contingency for unexpected changes in price or unfunded legislative change. The details of these figures can be seen on the MTFS summary, below.
- Unavoidable growth across the period of the MTFS amounts to **£2.420 million**.
- Discretionary growth across the period of the MTFS amounts to **£0.317 million** and efficiency savings total **£0.069 million**.
- The application of reserve balances is shown in the MTFS summary (below)
- Funding in support of the Council's expenditure plans.
- The Council Tax Base and Council tax calculation.
- The capital investment programme for the medium term totals **£123.798 million**.

- The key risks relating to the Council's finances and the statutory report of the Director of Finance on the robustness of estimates and the adequacy of the Council's reserves.

The full MTFS is shown overleaf, with a summary position shown in the table below:

MTFS 2018-2021	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Gap in MTFS at 1 April (approved by Council in January 2017)	(253)	1,215	1,071	1,071	3,104
Base Budget Changes:					
A. In year changes identified through budget monitoring at period 8	197	46	374	369	986
B. Salary Changes		80	130	280	490
Other changes:					
Additional pay award proposal		94	197	300	591
Watford 2020 – Savings not yet achieved		1,000	1,000	0	2,000
Unavoidable Growth		795	700	925	2,420
Discretionary Growth		166	76	75	317
Efficiency Savings		(23)	(23)	(23)	(69)
Net Change in Provision of Temporary Accommodation	(535)	(535)	(535)	(535)	(2,140)
Increase in Management Fee from Leisure Operator		(182)	(456)	(772)	(1,410)
Impact of Fees & Charges		(347)	(418)	(394)	(1,159)
Impact of Property Portfolio (Rent)	(210)	(199)	0	(395)	(804)
Impact of Capital bids		(25)	(63)	(63)	(151)
Impact of funding changes	(40)	(594)	(124)	(95)	(853)
Income from Watford Riverwell	(3,157)	(960)	(2,625)	0	(6,742)
Interest from Hart Homes loans	0	(170)	(289)	(289)	(748)
Rental income from Town Hall Redevelopment	0	0	(143)	(573)	(716)
Contribution to Reserves (Riverwell)	3,157	960	2,625	0	6,742
Borrowing costs		33	112	0	145
Gap	(841)	1,358	1,612	(116)	2,013

Medium Term Financial Strategy 2018-2021

 WATFORD BOROUGH COUNCIL BE BOLD	2017/18 Original	2017/18 Revised	2018/19 Original	2019/20 Original	2020/21 Original
	£000s	£000s	£000s	£000s	£000s
Corporate Strategy & Communications	823	1,057	841	853	865
Place Shaping & Performance	(4,521)	(4,319)	(4,594)	(4,673)	(4,626)
Strategic Finance	2,195	2,331	2,201	2,207	2,227
Service Transformation	1,852	2,480	861	878	897
Community & Environmental	8,950	9,108	8,913	9,072	9,093
Democracy & Governance	3,172	3,236	3,457	3,431	3,451
HR Shared Service	581	590	622	635	642
Net cost of services	13,051	14,482	12,301	12,404	12,549
Corporate Budgets					
Dividends & Interest earned	(1,550)	(1,585)	(282)	(282)	(282)
Vacancy provision	(95)	(95)	(95)	(95)	(95)
Apprentice Levy	30	30	30	30	30
Internal support to capital programme	(552)	(552)	(676)	(676)	(676)
Contingency	249	255	221	220	221
Interest payable	130	130	130	130	130
Pension Fund deficit payments	2,249	2,249	2,349	2,449	2,449
Major Projects (PMB/Commercialisation)	750	750	0	0	0
Sub-Total	1,211	1,181	1,678	1,777	1,778
Financial Planning					
Unavoidable Growth	0	0	795	700	925
Additional 1% pay award	0	0	94	197	300
Watford 2020 reversal from previous MTFs	0	0	1,000	1,000	0
Discretionary growth	0	0	166	76	75
Income & Efficiencies	0	0	(23)	(23)	(23)
Net changes to Temporary Accommodation	0	(535)	(535)	(535)	(535)
Increase in management fee from Leisure operator	0	0	(182)	(456)	(772)
Savings achieved from new Parking enforcement contract	0	0	(110)	(157)	(157)
Net effect of Fees & Charges	0	0	(344)	(415)	(391)
Impact of Capital Programme	0	0	(25)	(63)	(63)
Increase in commercial rent target		(210)	(199)	0	(395)
Additional income from Riverwell	0	(3,157)	(960)	(2,625)	0
Additional income from Hart Homes	0	0	(170)	(289)	(289)
Additional income from Town Hall	0	0	0	(143)	(573)
Borrowing costs	0	0	33	112	0
Sub-Total	0	(3,902)	(459)	(2,621)	(1,898)
Total Net Expenditure	14,262	11,761	13,520	11,560	12,428
Planned Use of Reserves					
Contributions to reserves	0	3,157	1,082	2,782	157
Contributions from reserves	(886)	(2,089)	(100)	(200)	(200)
Sub-Total	(886)	1,068	982	2,582	(43)
Funding					
Council Tax	(8,170)	(8,170)	(8,503)	(8,587)	(8,673)
Revenue Support Grant	(565)	(565)	(114)	0	0
Business Rates	(2,452)	(2,452)	(3,332)	(3,002)	(3,002)
New Homes Bonus	(2,098)	(2,098)	(1,015)	(691)	(577)
(Surplus)/Deficit on collection fund	(250)	(290)	(181)	(250)	(250)
Other smaller grants/contributions	(94)	(94)	0	0	0
Sub-Total	(13,629)	(13,669)	(13,144)	(12,530)	(12,501)
Total Funding & Use of Reserves	(14,515)	(12,601)	(12,162)	(9,948)	(12,544)
Gap	(253)	(841)	1,358	1,612	(116)
Reserves - opening balances	(19,467)	(11,086)	(13,478)	(16,978)	(17,948)
Planned use of reserves	886	(1,552)	(4,858)	(2,582)	44
Gap funded from reserves	(253)	(841)	1,358	1,612	(116)
Reserves - closing balances	(18,834)	(13,478)	(16,978)	(17,948)	(18,021)
Council Tax Rate Calculation					
Council tax base	32,062.1	32,062.1	32,393.9	32,717.8	33,045.0
Council tax at band D (income ÷ base)	£ 254.84	£ 254.84	£ 262.46	£ 262.46	£ 262.46

1.0 Net Cost of Services

- 1.1 The day to day costs of providing the Council's services (e.g. employees) and the income generated (e.g. fees and charges) are classified as revenue. The revenue budget is funded from council tax & business rates, government grants, commercial rents, fees & charges and reserves.

Service Budgets

- 1.2 The service budgets shown at the top of the MTFS are the base budgets for each year. These are rolled forward from the previous year, but also include a number of changes which are detailed in the Appendices. The changes included in base budgets are required to maintain the level of service currently provided. Where changes are proposed to services, a summary is shown in the growth and savings sections (below), with further detail in the Appendices. All items included have been scrutinised, challenged and agreed by Leadership Team.
- 1.3 **In-year Changes** occur as Services identify variances to the current year's budget (2017/18) by forecasting the outturn position at the year end and these changes are reported to budget panel at their meetings throughout the year. Services have confirmed that some of these will continue into future years. These changes for 2017/18 amount to £0.197 million and the total for future years (2018/19 to 2020/21) is £0.789 million, providing a total of **£0.986 million** over the period. Further details on future years are shown at **Appendix 1**.
- 1.4 **Changes to Salaries** relate to pay awards and rises due to increments, as well as the impact of changes to grades and restructures which have been agreed in the year. The changes already factored into base budgets are considered unavoidable because they relate to decisions already taken and are required to maintain the current level of service. The figures shown here also include the National Employers final pay offer of 2% for the period 1 April to 31 March 2020. It should be noted that the MTFS had already included a 1% increase in each of the years covered, so all that is shown is the effect of a further 1% increase. It should be noted that £0.124 million of the increase is charged each year to the capital investment programme as support to projects.
- 1.5 As a retention incentive, it is intended to create an enhanced band 11 pay band for some of the section head posts within the Council. Progression to the enhanced band will be agreed by a panel of senior managers from the Leadership team. For 2018/19 any increases in salaries as a result of applying the enhanced banding will be absorbed from existing budgets and for future years the increase will be included when the salaries are set during the budget setting process. The enhanced Section Head – Band 11 scheme is set out in **Attachment 4** to the cover report.

Corporate Budgets

- 1.6 The corporate budgets shown relate to items that are not directly linked to the delivery of services.
- **Dividends and Interest earned and paid** – the Council holds funds for the short and long term which are invested in line with the Council's Treasury Management Strategy. This generates income. In addition, the Council is a partner in the Watford Riverwell project and

has a number of other commercial initiatives from which it will receive dividend income. The Council also has a long term loan from the Local Enterprise Partnership and various other agreements which attract interest charges.

- **Vacancy provision and Apprenticeship levy** – The Council budget the cost of its staff on a full establishment (all posts are filled) however, it is recognised that during the year vacant posts will arise due to staff churn and that these posts are not always immediately recruited to. An allowance has been put in to the budget as a vacancy saving. The apprenticeship levy was introduced in April 2017 and is charged at a rate of 0.5% on an employer's pay bill, with an allowance of £15,000 to offset against the levy.
- **Internal support to capital schemes** – Council officers will spend time on implementing and monitoring the Council's capital schemes, which is charged to capital from the revenue account.
- **Contingency** - The Council holds a small contingency for any unexpected increases in inflation for items such as utilities and external contracts and unforeseen expenditure.
- **Pension Fund Deficit Payments** – this payment is set by the Hertfordshire Pension Fund's actuary and relates to the estimated amount which needs to be set aside to fund future pension payments to which scheme members are entitled. The amount is set at the three yearly valuations, and has been included in the MTFS period.

2.0 Financial Planning:

- 2.1 **Unavoidable growth:** This is additional cost which is needed to maintain the current level of service provision and relates to decisions already taken and factors outside the Council's control, such as contract inflation, legislative changes and demographic pressures. This totals **£2.420 million** over the medium term. Further detail is shown in **Appendix 2**.
- 2.2 **Watford 2020:** The current MTFS included a recurring saving of £1.000 million per annum. The service transformation team are progressing well with the review of services and identifying efficiencies and additional income, but it is unlikely that these will be fully achieved before 2020/21. Therefore it is considered prudent to reverse the target saving in 2018/19 and 2019/20 which was built into last year's MTFS. Any savings achieved early will be reported through in-year budget monitoring.
- 2.3 **Discretionary Growth:** This relates to items that will improve and develop services, but require additional expenditure. Services are aware of the financial pressures faced by the Council and have kept these items to a minimum. Some are of a 'one off' nature, whilst others will continue in future years. The discretionary growth totals **£0.317 million** over the medium term. Further detail is provided in **Appendix 3**.
- 2.4 **Efficiency Savings:** These are reductions in expenditure which do not affect the level of service provision to the public, such as additional income generated from selling services, other changes to fees and charges (full details shown in that section of this report) or reductions in other items such as printing and stationery. Efficiency savings total **£0.069 million** over the medium term. Further detail is provided in **Appendix 4**. These efficiency items are not contained within the services' base budget figures.
- 2.5 **Net Change in the Provision of Temporary Accommodation:** This relates to a decrease in temporary accommodation expenditure due to lower than projected demand and a reduced reliance on more expensive methods of provision. This will mean that the level of income also reduces giving a net saving of £2.140 million over the MTFS. The new Homeless Reduction Act (HRA) 2017 will result in a complete change in the method of service delivery

that will concentrate on homelessness prevention; this will mean increased annual costs of £0.188 million and these have been included in the unavoidable growth figure.

- 2.6 **Increase in Management Fee from Leisure Operator:** The current outsourced contract for operating the Council's leisure venues expires on 30 June 2018. The contract has been through a tender process and at the Cabinet meeting on 4 December 2017 a preferred bidder was appointed. The new contract provides an enhanced management fee payable to the Council which totals an additional **£1.410 million** over the MTFS.
- 2.7 **Revenue Effects of the Capital Growth Bids:** This relates to an increase in expenditure or a realisation of savings that are brought about as a result of the capital investment programme. The revenue implications of the new capital bids are not yet included in base budgets as they are subject to approval. The only new capital bid with revenue implications for 2018/19 is for the Cassiobury Park car parking improvements which includes a full rebuild and extension to the car park, which will generate additional income of £0.075 million from car parking charges when fully operational. Further details are shown at **Appendix 5**.
- 2.8 **Funding changes:** The Council receives its funding from various sources to support its revenue expenditure on the services it provides. These are subject to fluctuation. The table below shows the adjustments to the budgets for the funding streams over the MTFS.

Change in Funding against Budget	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000
Revenue Support Grant	0	0	0	0	0
Change in Council Tax	0	(250)	(252)	(338)	(840)
Collection Fund Surplus/Deficit	(40)	69	0	0	29
New Homes Bonus	0	385	509	623	1,517
Business Rates	0	(798)	(381)	(380)	(1,559)
TOTAL	(40)	(594)	(124)	(95)	(853)

- 2.9 **Net Fees & Charges:** Each year the Council reviews its fees and charges in conjunction with its agreed income charging policy and adjusts the anticipated income accordingly. The individual fees and charges are listed separately as part of this report with a summary showing the impact for 2018/19 at **Appendix 6**. The total amount of increase in the Council income budgets over the MTFS is **£1.159 million**. The Council's income charging policy is at **Attachment 2** to the cover report with individual charges listed by service area. It is intended to carry out a comprehensive review of all discretionary fees & charges during the next financial year; Council are requested to delegate authority to the Director of Finance in conjunction with the Managing Director and the Portfolio Holder (Resources) to implement any recommendations from this review.
- 2.10 **Increase in Commercial Rent:** The Council has a large property portfolio which generates a rental income stream. This is estimated to be £8.0 million per annum (including rents from garages). The current MTFS contains a target of 5% annual income growth derived from the Council's property portfolio through reinvesting the proceeds from the disposal of low income and high maintenance properties into better yielding properties and also from improved management of the rental streams from the portfolio. The figures in the above table include the income target for the current years (which have already been built into the

MTFS) plus the increase for 2021/22. Any increase or decrease in income levels will be monitored through the Property Investment Board (PIB) and reported in budget monitoring. There is an increase in the projected income over the five year period of £1.523 million which also includes the recent acquisitions of two sites at Wakefield and Wallington.

- 2.11 **Additional Income from Watford Riverwell:** Watford Riverwell is run as a joint venture with Kier. This development is a long-term regeneration project developing an area of land south of Watford Hospital and Watford Football Club. The Council will receive interest and dividends from its investment and these total **£6.742 million** over the MTFS. It is planned to appropriate this income into a reserve to cover any guarantees provided by the Council for this scheme, to cover repayments of outstanding loans, to replenish balances and create a fund for future investment.
- 2.12 **Additional Income from Hart Homes:** The Council is currently in joint venture with Watford Community Housing to develop a mixture of affordable, social and open market housing. The Council will receive interest on its investment loans to the companies and this will amount to **£0.748 million** over the MTFS.
- 2.13 **Additional Income from Town Hall:** The Council is currently pursuing the redevelopment of the Town Hall and environs to be able to let out vacant office space at a commercial rent to outside organisations. It is estimated that this will generate additional income of £0.573 million per annum when the development is completed in 2020/21. Over the MTFS this totals **£0.716 million**.
- 2.14 **Cost of Borrowing:** Based on the proposed capital programme it is currently predicted that the Council may need to prudentially borrow up to £7.8 million over the next 3 years. It is further estimated that the level of capital receipts will be sufficient for us to repay this principal sum by 2020/21, with a further £1.8 million required in 2021/22, again repaid the following year. The revenue cost of the debt financing for this borrowing is estimated to be £0.145 million, but this may change due to factors such as the phasing of the capital programme and any additional contributions from outside bodies (e.g.: Police and Crime Commissioner for Hertfordshire capital contribution to Town Hall redevelopment). As the borrowing can be repaid from future receipts, it should not prove necessary to make a minimum revenue provision in order to amortise the principal sum.

3.0 Reserves

- 3.1 The Council has set aside specific amounts as reserves for future policy purposes and to cover contingencies. The full schedule of reserves and the anticipated position is attached at **Appendix 7**. The proposed use of reserves for revenue in 2018-21 is as follows:
- £0.500 million - The Council has set aside funds to cover the costs of future pension payments. Some of these funds are to be applied to the additional payments required by the scheme actuary for 2018/19, 2019/20 and 2020/21.
 - In 2016/17 there was a deficit on the business rates account of £3.3 million which was funded from the economic impact reserve. This is to be returned in 2018/19.
 - Where there is a gap remaining this is expected, for the time being, to be filled from the Economic Impact Reserve.
 - The general fund working balance has been increased to a prudent level of **£2.0 million**.

4.0 Funding the Revenue Budget

- 4.1 The MTFS shown above indicates that the total Net Expenditure of the Council in 2018/19 is **£13.517 million**. This will be funded from a number of sources, which are detailed in the following paragraphs. The Council needs to set a budget that gives an acceptable level of council tax, and is sustainable in the medium term using the balances it has at its disposal.
- 4.2 The number of properties (known as the Council Tax Base) is calculated by adjusting for banding (so that a total number of Band D properties are known) and the effects of the Local Council Tax Reduction Scheme. The analysis of dwellings in **Appendix 8** for the 2017/18 Council Tax Base results in a figure of **32,393.9** after allowing for the Council Tax Reduction Scheme and a collection rate of 97%.
- 4.3 The average Band D Council Tax charge for 2018/19 will be **£262.46**. This means that the Council expects to receive **£8.503 million** of Council Tax income in 2018/19. Each one percentage increase in the Council Tax rate generates approximately an **£80,000** increase in Council Tax revenue.
- 4.4 **Business rates** are collected by the Council, and the proceeds are shared between the Borough and County Councils, and Central Government to fund services. There is an element of risk involved in the Business Rates scheme, which is designed to incentivise Councils to promote business growth within their areas. The Council expects its share of business rates to be **£3.331 million** in 2018/19. The Council has to pay an additional tariff of £389,382 in 2020/21. Future plans for rate retention indicate Council's being able to retain a minimum of 75% by 2020/21 although final confirmation and full details are yet to be published by Central Government.
- 4.5 The council will make prudent estimates of the rate of collection of Council Tax and the size of the tax base. This is to allow for non-payments, discounts, bad debts, and periods where properties are unoccupied and therefore there is no tax payable. Where amounts of Council Tax collected exceed the estimates made, the surplus is shared between the relevant major precepting authorities (Hertfordshire County Council, Watford Borough, Council and Hertfordshire Police & Crime Commissioner). The Council's prudent estimates mean that it is possible to budget for a surplus of **£0.181 million** in 2018/19.
- 4.6 **Revenue Support Grant**, funded by Central Government. This was formerly the principal line of local Council funding, but will be totally phased out 2019/20 and replaced with local retention of Business Rates income.
- 4.7 **New Homes Bonus** is a grant relating to the number of new homes delivered in a local authority area. The formula allows for a threshold that each authority needs to achieve before any grant is received. The amount for 2018/19 is, based on the provisional settlement; the Council expects to receive **£1.015 million**. Estimates for future years are harder to predict due to factors around timing of qualifying developments coming on line, but the Council has made realistic estimates of income in the MTFS.

5.0 Capital Strategy and Investment Programme

- 5.1 Capital costs relate to items providing benefits to the Council and community for more than one year (e.g. buildings). Any income from the sale of these items is also classified as capital.

The Council has an approved capital programme budget which is designed to support the core services it provides.

- 5.2 The current capital programme was approved by Council at its meeting on 24 January 2017. Since that date the capital programme is reported regularly to Budget Panel with specific reports being considered by Cabinet which affect the originally approved programme.
- 5.3 The 2017-21 Capital Investment Programme presented for approval is shown in the table below with further details shown in **Appendix 9**:

Capital Programme 2017-21	2017/18 Revised £000s	2018/19 Original £000s	2019/20 Original £000s	2020/21 Original £000s
Community & Environmental	3,478	4,879	462	462
Democracy & Governance	755	750	675	400
Place Shaping & Performance	15,628	6,880	2,050	50
Service Transformation	1,070	844	530	530
Strategic Finance	762	677	679	679
Watford Riverwell	8,113	10,931	3,281	14,159
Property Investment Board	24,076	0	0	0
Proposed Growth (see Appendix 5)	0	6,205	13,771	1,022
Annual Capital Investment Programme	53,882	31,166	21,448	17,302
Total Capital Investment Programme 2017-21		123,798		

- 5.4 The Capital Investment Programme relates to the three different types of scheme – business as usual, existing schemes, and new schemes. Much of the capital expenditure which relates to major projects will be returned to the Council in future years as capital receipts.
- 5.5 There are a number of ‘Business as Usual’ programmes which are included totalling **£2.2 million** and relate to regular improvements and replacement of key Council assets such as buildings, vehicles and ICT. These are included for all years in the MTFS.
- 5.6 Services have put forward proposals for new capital schemes for 2018-21 which will assist the Council in delivering its corporate objectives and improving services for residents, as well as generating revenue savings and returns where possible. These have been included in the table at paragraph 5.3. The growth bids which are over £0.100 million in 2018/19 are shown below. Further details are shown in **Appendix 5**.
- **Cassiobury Park Car Park Improvements £1.000 million** - Cassiobury Car Park is the main car park to Watford's principal park that was not included in the lottery funding as it was not considered as part of the bid package by the Heritage Lottery Fund. Costs include a full rebuild of the car park as well as an extension requiring rebuilding.
 - **North Watford Cemetery Lodge Extension and toilet refurbishment £0.150 million** - The ICCM review that was carried out two years ago highlighted that the visitor experience at the cemetery needed to be improved. Currently cemetery visitors use a small out-dated office currently occupied by the Cemetery Manager and there is no additional space for customer privacy, a dedicated office or storage.
 - **Garston Park Improvements £0.250 million** - Due for restoration to bring this up to Green Flag standard as detailed in the Council's Green Spaces Strategy.

- **Town Hall Redevelopment £2.310 million** - Construction of a multi storey office block and raised deck car park with associated highways alterations.
- **High Street Public Realm Improvements £0.800 million** - To provide a high quality pedestrian friendly environment that will enhance the look and feel of the High Street. In September, Cabinet approved a scheme totalling £2.0m which will be funded by sources of income including s106, HCC contributions and existing budgets. Further potential LEP funding of £400,000 is also being pursued.
- **Leisure Management** – The recent contract award to SLM commits the Council to capital investment which provides an enhanced annual management fee to the Council. The cost of capital to the Council is outweighed by the increased management fee.

5.7 **Property Investment Strategy.** The Council has a Property Investment Strategy that allows it to invest in property for a market return. This is controlled by the Property Investment Board (PIB). As with all investments, security of the investment is paramount over yield and the Council has set strict parameters for these investments that are adhered to by the retained property advisers, Lambert Smith Hampton, and overseen by PIB before any investment decision is taken (see Annex B to Attachment 3 to the cover report). The Council has invested in property through its capital programme and has not borrowed externally to invest in any property.

6.0 Funding the Capital Strategy & Investment Programme

- 6.1 The Council funds its capital programme from its reserves, capital receipts, and any capital grants and contributions. Subject to prudential and affordable limits, the Council may also borrow to support its capital aspirations.
- 6.2 It is anticipated that over time the Capital outlay from projects such as the Watford Riverwell and Property Investment Board will be recouped from the receipts received in terms of return of equity investment and the disposal of land and property.
- 6.3 **Appendix 9** shows the details of the capital receipts and grants/contributions included in the budget.
- 6.4 Where the Council does not have sufficient contributions, receipts, reserves or revenue available to finance long term investment, it may use prudential borrowing to do so. This is subject to the affordability and prudential limits set out at a high level by the Government and in detail by the Council in its strategies. This borrowing may be from external providers, or internally from cash the Council holds day to day and its own reserves.
- 6.5 The Council's ambitious programme of major projects and investment in service delivery means that it expects to have a borrowing requirement in 2018/19. The results of the cash forecasting exercise indicate that the proposed approach is affordable for the Council:

7.0 Key Risk Areas

- 7.1 The Council's budget is exposed to risks that can potentially impact on service level provision and financial stability. The consequences of the key risks are shown at **Appendix 10** together with a risk matrix that shows the likelihood and impact of each consequence if they were to materialise.

- 7.2 The matrix shows that there is an element of risk in setting the budget, and in particular for undertaking the large scale capital projects. The Council has a risk management framework and strong governance arrangements in place e.g. Cabinet, Portfolio Holder oversight, Property Investment Board, Major Projects Board and Budget Panel to monitor these risks.
- 7.3 Under section 25 of the Local Government Act 2003 there is a duty on the Chief Finance Officer to report on the robustness of the estimates and the adequacy of reserves when considering the budget requirement and for Members to have regard to this advice. **The Director of Finance confirms the estimates have been correctly calculated under the assumptions used and that balances and reserves are adequate.**
- 7.4 The General Fund balance is a general reserve providing a working balance to cushion the impact of uneven cash flows, avoid unnecessary temporary borrowing and provide a contingency to meet unexpected events and emergencies.
- 7.5 The external auditors, as part of their wider responsibilities, consider whether the Council has adequate arrangements with regard to balances and reserves. In assessing the adequacy of the level of the working balance the Council's external auditor has, in the past, commented they would not wish to see the General Fund Working Balance reduced below its current level of £1.350 million. **In light of the continual budget pressures and risks highlighted above, the Council's Director of Finance considers that a prudent minimum balance on the general fund should be increased from £1.350 million to £2.000 million.** At this stage the increase balance on the general fund will be covered by a movement from other reserves rather than a budget pressure.

8.0 Strategy for the Flexible Use of Capital Receipts

- 8.1 The Secretary of State has issued guidelines under the regulations which allow authorities extra flexibility in the use of capital receipts received in the year, where they are used for projects constituting qualifying expenditure which transforms services for residents, 'joins up' services with other public sector bodies, or makes on-going savings.
- 8.2 The Council is pursuing a service transformation programme called Watford 2020. This will deliver change through a number of strands of activity:
- **Digital Town:** Deliver a Watford Town digital infrastructure that provides businesses and residents with the skills and technology needed to maximise opportunities and enhance lives.
 - **Digital Customer:** To transform how customer access our services - providing digital access to services that are designed around customers and a reception area that encourages self-service.
 - **Digital Council:** This project will provide a digital infrastructure within the Council that will improve service efficiency, deliver flexible and responsive services, and provide management information to support continuous improvement.
 - **Service Reviews:**
 - **Service Based reviews** – these will be an “end to end” review of services. The review will look for opportunities to streamline the service, ensuring they are customer focused, joined up and “digital by default” with as much manual work being automated as possible. The reviews will seek to make best use of modern technology to reduce duplication and maximise officer productivity e.g. providing access to mobile devices to work when out of the office rather

than having to come back into the office to update systems.

- **Cross-Departmental reviews** – these reviews will look for cross-departmental opportunities to improve efficiency and effectiveness e.g. by rationalising similar functions or IT systems.

- **Commercial strategy:** To take the Council on the journey so that it functions as a commercially astute business, that generates income and has an entrepreneurial approach to developing new commercial opportunities.
- **Supporting Strategies:** Key strategies will be developed to ensure we have the culture, skills, communications / engagement and technology in place to deliver the programme.

8.3 These projects may well have transition costs which could meet the criteria to be funded using the new flexibility; it is the Council's strategy to, where possible, invest in these improvements and initiatives without creating an additional burden on the Council tax payer. Where receipts are to be applied flexibly in accordance with the policy, the expenditure will be reported to Cabinet and added to the capital programme. The impact on the prudential indicators and the Council's capital financing arrangements will be considered, assessed, and reported at the same time.

9.0 Delegated Authority

9.1 As the Council is continuing with its more commercial approach, including encouraging ideas from staff, it is intended to carry out a full review of its discretionary fees and charges during 2018/19. Council are being requested to delegate authority to the Director of Finance in conjunction with the Managing Director and the Portfolio Holder (Resources) to implement any recommendations from this review.

9.2 Council is requested to delegate to the Managing Director in consultation with the Director of Finance authority to provide parental guarantees for the Council's projects as required subject to those guarantees complying with an approved business plan.

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BACKGROUND PAPERS:

2017/18 Finance Digests
Cabinet Reports
2017-20 Financial Planning Report

APPENDICES:

Appendix 1	In Year Base budget changes
Appendix 2	Unavoidable growth
Appendix 3:	Discretionary Growth
Appendix 4:	Efficiency measures and additional income
Appendix 5:	Capital bids including revenues impacts
Appendix 6:	Summary Fees & Charges 2018/19
Appendix 7:	Reserves and balances
Appendix 8:	Council Tax base and calculation 2018/19
Appendix 9:	Capital programme
Appendix 10:	Risk Matrix

In Year Base Budget Changes

Summary of In - year budget changes affecting future years	2018/19	2019/20	2020/21	Total
Community & Environmental				
Expected increase in income from recycling credits & Green Bins	(50,000)	(50,000)	(50,000)	(150,000)
Environmental health Supplies & Services budgets not required	(24,010)	(24,010)	(24,010)	(72,030)
Less expenditure on contract for abandoned vehicles	(5,000)	(5,000)	(5,000)	(15,000)
Special collections overestimate of income	37,000	37,000	37,000	111,000
Animal control saving due to cessation of contract	(3,000)	(3,000)	(3,000)	(9,000)
Pest Control saving on expenditure	(50,000)	0	0	(50,000)
Street Cleansing and Refuse reduction in income from Boundary way	10,700	10,700	10,700	32,100
Total	(84,310)	(34,310)	(34,310)	(152,930)
Democracy & Governance				
Costs related to EROS elections systems maintenance	6,000	6,000	6,000	18,000
Town Hall Rental income over estimated in 16/17 budget setting	72,000	72,000	72,000	216,000
Total	78,000	78,000	78,000	234,000
Place Shaping & Performance				
Contract security costs to be higher due to additional time add-on	10,000	10,000	10,000	30,000
Repair work to parts of the public carriage way owned by the Council.	10,000	10,000	10,000	30,000
Annual Software support cost	17,390	17,390	17,390	52,170
Change in rental income - mainly on void at Intu during development	69,235	346,665	341,665	757,565
CCTV contract cost has increased	16,000	16,500	16,500	49,000
Scrutiny fee payable to LSH	12,000	12,000	12,000	36,000
Development Control saving on software purchase	(10,800)	(10,800)	(10,800)	(32,400)
Total	123,825	401,755	396,755	922,335
Corporate Strategy & Comms				
Budgets not required	(9,550)	(9,550)	(9,550)	(28,650)
Total	(9,550)	(9,550)	(9,550)	(28,650)
Strategic Finance				
Reduction in staffing costs of revenue & benefits due to restructure	(62,090)	(62,090)	(62,090)	(186,270)
Total	(62,090)	(62,090)	(62,090)	(186,270)
Grand Total	45,875	373,805	368,805	788,485

Unavoidable Growth

Unavoidable Growth	2018/19	2019/20	2020/21	Total
	£	£	£	£
Service Transformation				
<i>Total cost of service reported at £1,145,997. This represents an increase on the draft budget based on WBC share of 60%</i>	89,400	89,400	89,400	268,200
<i>New Business Relationship Manager post as part of proposal above and increase in software licensing costs</i>	132,900	132,900	132,900	398,700
<i>Applications with contractual commitments</i>	42,150	42,150	42,150	126,450
Total	264,450	264,450	264,450	793,350
Community & Environmental				
<i>Veolia inflation uplift on contract value of £6.250M.</i>	0	0	125,000	125,000
<i>Veolia Contract pension pass through costs</i>	160,000	160,000	160,000	480,000
Total	160,000	160,000	285,000	605,000
Democracy & Governance				
<i>New legislation from May 2018 means Council will be legally obliged to have a Data Protection Officer post.</i>	25,000	25,000	25,000	75,000
<i>Agreed by Cabinet - Neighbourhood Forum scrutiny 12 wards @£500 each</i>	6,000	6,000	6,000	18,000
<i>Mayoral elections to take place in 2018/19</i>	60,000	0	0	60,000
Total	91,000	31,000	31,000	153,000
Place Shaping & Performance				
<i>Reinstatement valuation of mainly non-investment portfolio - inspection /survey costs</i>	15,000	15,000	15,000	45,000
<i>To work with consultants to produce a new Local Plan</i>	77,000	42,000	142,000	261,000
<i>New Homeless Reduction Act (HRA) 2017 results in a complete change in service delivery</i>	165,000	165,000	165,000	495,000
<i>Increase in review costs due to the introduction of the HRA above</i>	22,800	22,800	22,800	68,400
Total	279,800	244,800	344,800	869,400
Corporate Strategy & Comms				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Human Resources				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Strategic Finance				
<i>None</i>	0	0	0	0
Total	0	0	0	0
TOTAL	795,250	700,250	925,250	2,420,750

Discretionary Growth

Discretionary Growth	2018/19	2019/20	2020/21	Total
	£	£	£	£
Service Transformation				
<i>Required to implement the Watford 2020 programme</i>	60,000	0	0	60,000
Total	60,000	0	0	60,000
Community & Environmental				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Democracy & Governance				
<i>Increase working hours from 30 to 37 for senior solicitor to meet increase in contract related advice</i>	11,520	11,520	11,520	34,560
<i>Market factor for elections manager</i>	2,000	2,000	2,000	6,000
<i>Members Allowances</i>	20,470	22,410	20,880	63,760
Total	33,990	35,930	34,400	104,320
Place Shaping & Performance				
<i>Project manager cost to support the delivery of the new housing service</i>	31,500	0	0	31,500
Total	31,500	0	0	31,500
Corporate Strategy & Comms				
<i>Project Management coordinator post to be added to the establishment - mainly managing Programme Management Board items</i>	40,200	40,200	40,200	120,600
Total	40,200	40,200	40,200	120,600
Human Resources				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Strategic Finance				
<i>None</i>	0	0	0	0
Total	0	0	0	0
TOTAL	165,690	76,130	74,600	316,420

Efficiency Savings

Efficiency Savings	2018/19	2019/20	2020/21	Total
	£	£	£	£
Service Transformation				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Community & Environmental				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Democracy & Governance				
<i>Saving on print budget due to going paperlite</i>	(5,500)	(5,500)	(5,500)	(16,500)
Total	(5,500)	(5,500)	(5,500)	(16,500)
Place Shaping & Performance				
<i>Reduction in scanning costs</i>	(17,500)	(17,500)	(17,500)	(52,500)
Total	(17,500)	(17,500)	(17,500)	(52,500)
Corporate Strategy & Comms				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Human Resources				
<i>None</i>	0	0	0	0
Total	0	0	0	0
Strategic Finance				
<i>None</i>	0	0	0	0
Total	0	0	0	0
TOTAL	(23,000)	(23,000)	(23,000)	(69,000)

Capital Growth Bids and Revenue Impact

Department	Project Details	Capital			Annual Revenue Costs / (Savings)			
		Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £	Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
Community & Environmental	Waste and Recycling Vehicle Replacement - The Council supplies vehicles and plant to fulfil contractual obligations with its partner, Veolia Environmental Services. There is a need in 2019/20 to replace 14 freighters.		2,300,000		0	0	0	0
Community & Environmental	River Colne Restoration & Improvement Programme - Corporate priority to begin a major clean up of the River Colne Corridor. A budget is required to appoint a consultant to develop a masterplan and identify projects for the River Colne Corridor to enable a River Colne Strategy to be developed.	100,000	25,000	25,000	0	10,000	10,000	10,000
Community & Environmental	Cassiobury Park Car Park Improvements - Cassiobury Car Park has had no investment in over 10 years and is in very poor condition. It is the main car park to Watford's principal park that was not funded by HLF who would not consider it as part of the bid package. Costs are extensive and include a full rebuild of the car park as well as the extension requiring rebuilding.	1,000,000			(25,000)	(75,000)	(75,000)	(75,000)
Community & Environmental	Cemetery reprovion project - Watford is running out of cemetery space and has circa 7-9 years remaining. A process has begun to assess options in relation to finding a new cemetery. A budget is required to facilitate this process and is needed to appoint a consultant to look at the options within the borough boundary.	50,000	50,000	50,000	0	0	0	0
Community & Environmental	North Watford Cemetery Lodge Extension and toilet refurbishment - The ICCM Review that was carried out 2 years ago highlighted that the visitor experience at the cemetery needed to be improved. Currently cemetery visitors use a small dated office currently occupied by the Cemetery Manager and there is no space for privacy, dedicated office space and storage space.	150,000	50,000		0	0	0	0

Community & Environmental	Garston Park Improvements - Due for restoration to bring this up to Green Flag standards as highlighted as action 7.2.2 in the Green Spaces Strategy.	250,000	50,000		0	0	0	0
Community & Environmental	Hérons F.C. - The Club approached the Council and the Mayor for support and there was an offer to improve the appearance and security of the building with a £25k investment including external improvements and windows replacement.	25,000			0	0	0	0
Community & Environmental	Leisure Management - Contract award to SLM where the Council is committed to capital spend (N.B. Further capital spend due in 2022/23 and 2028/29 totalling £162,054 and £412,054 respectively).	1,313,200	20,000	250,000	Increased management fees due to the Council from the contractor have been built into revenue growth forecasts			
Community & Environmental	Idox General Data Protection Regulation (GDPR) - Data stored in Uniform by Development Management, Building Control, Environmental Health, Licensing and Land Charges needs to be legally compliant with the new GDPR legislation.	10,000			0	2,000	2,000	2,000
Community & Environmental	Watford Tennis Partnership - Transforming British Tennis Together - There is an opportunity to bid for funds from the Lawn Tennis Association to improve tennis facilities across Watford - public and private - however some match funding will be needed. This provides for WBC's match funding.	25,000			0	0	0	0
Democracy & Governance	Town Hall Redevelopment - Construction of a multi storey office block and raised deck car park with associated highways alterations.	2,310,000	10,861,000	382,000	The scheme over a period of time is expected to self fund via service charges to clients E.G. Herts Police			
Place Shaping & Performance	Watford Junction - Budget requirement to finalise Watford Junction Masterplan and update viability / studies to support detailed Housing Infrastructure Funding bid	30,000			0	0	0	0
Place Shaping & Performance	Watford 3D Planning Model - Update IT functionality requirements for Watford Urban Design Model used for determining planning applications especially tall buildings.	41,500	15,000	15,000	0	0	0	0
Place Shaping & Performance	Watford Junction Public Realm Improvements - Bid will enable the Council to support the gateway to the town by improving the public realm at Watford Junction.	100,000	100,000		0	0	0	0
Place Shaping & Performance	High Street Phase 2 (One Bell St Marys church area) - To continue the public realm enhancement which last happened in 1999 as part of the regeneration of the Town Centre .		300,000	300,000	0	0	0	0
Place Shaping & Performance	High Street Public Realm Improvements - To provide a high quality pedestrian friendly environment that will enhance the look and feel of the High Street. Cabinet approved on 11/9/17 (total scheme circa £2m funded by mixed income types including S106, HCC contributions and existing budgets). Further potential LEP funding of £400,000 being pursued.	800,000			0	0	0	0
		6,204,700	13,771,000	1,022,000	(25,000)	(63,000)	(63,000)	(63,000)

Summary Fees & Charges 2018/19

	(A) 2017/18 Original Budget £	(B) 2018/19 Draft Budget already included in MTFS £	(B) - (A) Variance Year on Year 2018/19 to 2017/18 £	(C) 2018/19 Proposed Budget £	(C) - (B) Variance Draft to Proposed £	Comments
COMMUNITY & ENVIRONMENTAL						
Parks, Pitches & Woods	(15,800)	(15,800)	0	(16,260)	(460)	
Community Centres	(23,500)	(23,500)	0	(14,500)	9,000	
Cemeteries	(307,500)	(314,500)	(7,000)	(368,500)	(54,000)	Increase in fees
Allotments	0	0	0	0	0	
Cheslyn	(1,000)	(1,000)	0	(1,000)	0	
SLM	(293,000)	(293,000)	0	(293,000)	0	New contractor has been appointed there will be an increase in the management fee payable to the Council and is shown separately in the budget setting report
Waste	(54,490)	(24,970)	29,520	(62,200)	(37,230)	
Specials & Street Cleansing	(85,840)	(49,630)	36,210	(50,480)	(850)	Budget set too high - double counted
Arts, Events and Heritage	(18,900)	(18,100)	800	(19,450)	(1,350)	
Licenses	(149,500)	(167,491)	(17,991)	(187,500)	(20,009)	
Other Licenses	(21,400)	(21,350)	50	(27,650)	(6,300)	
Gaming Licenses	(105,110)	(105,110)	0	(101,410)	3,700	
Stray Dogs	(2,200)	(2,200)	0	(2,300)	(100)	
Pests	(36,290)	(36,290)	0	(29,900)	6,390	Reduction in rats & mice
Environmental Abandoned Vehicles	(1,800)	(1,800)	0	(1,800)	0	
Environmental Miscellaneous	(33,000)	(33,000)	0	(23,000)	10,000	Savings in other areas of this team's work balance this reduced income and refocus of reosurces. Littering is much reduced and therefore the need and ability to issue littering FPNs is reduced. The income may increase next year with the ongoing use of FPNs for flytipping.
	(1,149,330)	(1,107,741)	41,589	(1,198,950)	(91,209)	
SERVICE TRANSFORMATION						
Customer Services (including Information Unit)	(12,500)	(15,000)	(2,500)	(12,500)	2,500	
	(12,500)	(15,000)	(2,500)	(12,500)	2,500	
PLACE SHAPING & PERFORMANCE						
Housing	(600,000)	(600,000)	0	(626,010)	(26,010)	Increase in rents from hostel & dwellings
Parking - Controlled Parking Zones (v see below	(1,341,900)	(1,341,900)	0	(1,440,000)	(98,100)	Increase in pay & display, this effects the parking reserve - see below
Parking - Other (incl. Avenue, Longspring & Tow	(231,500)	(231,500)	0	(237,000)	(5,500)	
Building Control	(232,500)	(242,500)	(10,000)	(279,000)	(36,500)	Increase in application fees
Development Control (including Policy Team)	(640,000)	(520,000)	120,000	(710,000)	(190,000)	Increase in planning application fees by 20% re recent Government legislation
Land Searches	(120,000)	(120,000)	0	(120,000)	0	
	(3,165,900)	(3,055,900)	110,000	(3,412,010)	(356,110)	
DEMOCRACY & GOVERNANCE						
Town Hall Facilities	(273,300)	(214,300)	59,000	(214,300)	0	
Elections Unit	(3,500)	(3,500)	0	(3,500)	0	
	(276,800)	(217,800)	59,000	(217,800)	0	
STRATEGIC FINANCE						
Council Tax (Single Person Discount)	(2,000)	(2,000)	0	(2,000)	0	
	(2,000)	(2,000)	0	(2,000)	0	
Sub Total	(4,606,530)	(4,398,441)	208,089	(4,843,260)	(444,819)	
Less : Parking - Controlled Parking Zones (v see above	1,341,900	1,341,900	0	1,440,000	98,100	
Total	(3,264,630)	(3,056,541)	208,089	(3,403,260)	(346,719)	

Reserves and Balances

Description	Balance at 1 April £000	Movement 2017/18 £000	Balance at 31 March £000	Movement 2018/19 £000	Balance at 31 March £000	Movement 2019/20 £000	Balance at 31 March £000	Movement 2020/21 £000	Balance at 31 March £000	Purpose
Capital Reserves										
Capital Fund	(650)	0	(650)		(650)		(650)		(650)	Funding key capital projects
Development Sites Decontamination	(446)	446	0		0		0		0	Decontamination costs where the Council is liable
New Homes Bonus	(4,069)	3,533	(536)		(536)		(536)		(536)	Additional grant set aside for capital
Performance Reward Grant	(141)	0	(141)		(141)		(141)		(141)	Grant allocated by Local Strategic Partnership
Vehicle Replacement	(182)	0	(182)		(182)		(182)		(182)	Funding replacement of vehicles
Weekly Collection Support Grant	(53)	0	(53)		(53)		(53)		(53)	Supporting weekly collections of waste
Capital Receipts	(11,966)	4,066	(7,900)		(7,900)		(7,900)		(7,900)	Funding the capital investment programme
Section 106	(681)	54	(627)		(627)		(627)		(627)	Developers contributions towards facilities
Community Infrastructure Levy	(552)	(600)	(1,152)		(1,152)		(1,152)		(1,152)	Developers contributions towards infrastructure
Grants & Contributions	(441)	(206)	(647)		(647)		(647)		(647)	Other contributions e.g. Disabled Facility Grants
Total	(19,181)	7,293	(11,888)	0	(11,888)	0	(11,888)	0	(11,888)	
Revenue Reserves										
Budget Carry Forward	(887)	887	0		0		0		0	Budgets carried forward from prior years
Car Parking Zones	(907)	129	(778)	(110)	(888)	(157)	(1,045)	(157)	(1,202)	Ring fenced for parking projects
Charter Place Tenants	(160)	0	(160)		(160)		(160)		(160)	Tenants' contributions to major works
Climate Change	(57)	0	(57)		(57)		(57)		(57)	Energy saving initiatives
Leisure Structured Maintenance	(423)	0	(423)		(423)		(423)		(423)	Funding unforeseen maintenance not covered in contract
Le Marie Centre Repairs	(12)	0	(12)		(12)		(12)		(12)	Funding Council obligations as landlord
Multi-Storey Car Park Repair	(181)	0	(181)		(181)		(181)		(181)	Funding major structural works
Rent Deposit Guarantee Scheme	(100)	0	(100)		(100)		(100)		(100)	Assist in providing homelessness accommodation
Area Based Grant	(86)	0	(86)		(86)		(86)		(86)	Extremism and anti-social behaviour prevention
Crematorium	(100)	(50)	(150)		(150)		(150)		(150)	Funding repairs and maintenance
Economic Impact	(1,471)	(716)	(2,187)	(1,942)	(4,129)	1,612	(2,517)	(116)	(2,634)	Provide resources to offset economic downturn
Housing Benefit Subsidy	(996)	0	(996)		(996)		(996)		(996)	Provision if Dept for Work & Pensions claw back funds
Housing Planning Delivery Grant	(266)	0	(266)		(266)		(266)		(266)	Improve planning outcomes and delivery of housing
Invest to Save	(839)	0	(839)		(839)		(839)		(839)	Support expenditure producing savings
Local Development Framework	(178)	0	(178)		(178)		(178)		(178)	Support local plan production and inspection
Pension Funding	(2,249)	0	(2,249)	100	(2,149)	200	(1,949)	200	(1,749)	Reduction of pension deficit
Performance Reward Grant (Revenue)	(29)	0	(29)		(29)		(29)		(29)	Grant allocated by Local Strategic Partnership
Project and Programme Management	(359)	232	(127)		(127)		(127)		(127)	Support major project work
Parks, Waste & Street Strategy	(60)	0	(60)		(60)		(60)		(60)	Support Street Projects
Riverwell Project	(284)	(2,873)	(3,157)	(960)	(4,117)	(2,625)	(6,742)	0	(6,742)	To cover any guarantees, repayments of outstanding loans and fund future investment.
Weekly Collection Support Grant	(30)	0	(30)		(30)		(30)		(30)	Supporting weekly collections of waste
Total	(9,674)	(2,392)	(12,066)	(2,912)	(14,978)	(970)	(15,948)	(73)	(16,021)	
General Fund Working Balance	(1,412)	0	(1,412)	(588)	(2,000)	0	(2,000)	0	(2,000)	Prudent increase to £2m
Total Revenue Reserves	(11,086)	(2,392)	(13,478)	(3,500)	(16,978)	(970)	(17,948)	(73)	(18,021)	
Total	(30,267)	4,901	(25,366)	(3,500)	(28,866)	(970)	(29,836)	(73)	(29,909)	

Council Tax Base and Calculation 2018/19

AREA	Watford									
2018/19	PROPERTIES BY BAND									
Description	Band A Disabled	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Dwellings	0.0	447.0	4164.0	14389.0	12619.0	3593.0	2169.0	1893.0	78.0	39352.0
Demolished	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	1.0
Exemptions	0.0	30.0	69.0	154.0	132.0	40.0	27.0	12.0	1.0	465.0
Long Term Empty Premium	0.0	0.0	4.0	20.0	17.0	3.0	4.0	4.0	0.0	52.0
Disabled Relief (Movement)	2.0	30.0	20.0	-18.0	-14.0	-1.0	-14.0	-5.0	0.0	0.0
Disabled Relief	0.0	0.0	2.0	32.0	52.0	34.0	20.0	19.0	5.0	164.0
Chargeable Dwellings (H)	2.0	447.0	4117.0	14227.0	12481.5	3552.5	2130.0	1878.0	77.0	38912.0
Discounts x 25% SPD	0.0	224.0	2320.0	4842.0	2952.0	671.0	334.0	220.0	3.0	11566.0
Discounts x 25%	0.0	2.0	31.0	153.0	124.0	28.0	21.0	17.0	0.0	376.0
Discounts x 50%	0.0	0.0	0.0	3.0	12.0	9.0	4.0	11.0	8.0	47.0
Discount Deduction (Q)	0.0	56.5	587.8	1250.3	775.0	179.3	90.8	64.8	4.8	3009.0
Additions	0.0	35.0	153.0	252.0	118.0	9.0	4.0	4.0	0.0	575.0
Reductions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Adjustments (J)	0.0	35.0	153.0	252.0	118.0	9.0	4.0	4.0	0.0	575.0
Sub-Total (H-Q+J)	2.0	425.5	3682.3	13228.8	11824.5	3382.3	2043.3	1817.3	72.3	36478.0
Reduction Scheme (Z)	0.0	69.2	869.2	1697.2	1054.8	182.0	42.2	15.5	0.0	3930.1
Net Dwellings ((H-Q+J)-Z)	2.0	356.3	2813.1	11531.6	10769.7	3200.3	2001.1	1801.8	72.3	32547.9
Band Proportion (F)	5.0	6.0	7.0	8.0	9.0	11.0	13.0	15.0	18.0	
Band D Proportion (G)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	
Band D Equivalents	1.1	237.5	2187.9	10250.3	10769.7	3911.4	2890.4	3002.9	144.5	33395.8

Capital Programme

Capital Scheme	Revised Budget 2017/18 £	Draft Budget 2018/19 (incl rephasings) £	Draft Budget 2019/20 (incl rephasings) £	Draft Budget 2020/21 (incl rephasings) £
SERVICE TRANSFORMATION				
Customer Services				
CSI Project	53,000	114,477	0	0
ICT Shared Services				
ShS-Business Application Upgrade	154,314	365,000	165,000	165,000
ShS-ICT Modernisation	123,629	0	0	0
ShS-Hardware Replacement Programme	120,811	45,000	45,000	45,000
ICT Client Services				
ICT-Hardware Replacement Programme	397,992	200,000	200,000	200,000
ICT-Project Management Provision	220,126	120,000	120,000	120,000
COMMUNITY & ENVIRONMENTAL				
Waste & Recycling (inc Veolia)				
Replacement Domestic Bins	0	42,185	0	0
Veolia Contract Fleet Requirements	0	225,000	0	0
Recycling Boxes	0	36,940	0	0
Veolia Capital Improvements	94,250	95,380	96,810	96,810
Additional Green Waste Bins	0	36,000	0	0
Parks & Open Spaces				
Allotments & Parks Upgrades	7,885	0	0	0
Farm Terrace Allotments	(86,231)	0	0	0
Green Spaces Strategy	140,344	250,000	250,000	250,000
Colne River Project	0	0	0	0
Local Nature Reserves	0	0	0	0
Cassiobury Park HLF Project	1,219,135	0	0	0
Cassiobury Dev't (Fullerians)	200,000	0	0	0
Oxhey Park North Enhancements	25,000	0	0	0
Oxhey Park North	500,000	3,250,000	0	0
Tree Planting Programme	15,000	15,000	15,000	15,000

Cemeteries				
Cemetery Improvements	0	250,000	0	0
Leisure & Play				
Play Review	553,836	0	0	0
Gaelic Football Relocation	90,000	0	0	0
Southwold Road Play Area	0	20,000	0	0
Tennis Courts Enhancement	225,000	0	0	0
Cassiobury Park Play Area	152,378	0	0	0
Culture & Heritage				
Watford Museum HLF Matchfunding	50,000	425,000	0	0
Improvements Community Centres	0	59,160	0	0
Cultural Quarter Phase 1	111,851	29,000	0	0
Little Cassiobury Match Funding	50,000	0	0	0
Environmental Health				
ICT-Env Health	5,500	0	0	0
Decent Homes Assistance	124,367	145,000	100,000	100,000
DEMOCRACY & GOVERNANCE				
Buildings & Projects				
MP19-6 Town Hall Redevelopment	130,000	0	0	0
Building Investment Programme	625,000	750,243	675,000	400,000
PLACE SHAPING & PERFORMANCE				
Watford Business Park	5,295,399	4,412,809	0	0
Watford Riverwell Project	8,113,072	10,930,713	3,281,000	14,159,000
Housing				
Private Sector Stock Condition	88,800	0	0	0
Retained Housing Stock	192,104	50,000	50,000	50,000
Mandatory Disabled Facilities Grant	600,485	0	0	0
York House Boiler Replacement	0	75,000	0	0
Transport & Infrastructure				
Clarendon Road Streetscape Improvements	0	18,000	0	0
Intro Electric Vehicle Charging	7,400	23,782	0	0
High Street Enhancement	250,000	250,000	0	0
Upgrading/Resurfacing Car Parks	14,573	0	0	0
Match Funding Capital Projects	73,116	0	0	0
Goodwood Parade Enhancement Project	9,000	0	0	0
Watford Junction Cycle Pk Hub	38,626	0	0	0

Development Control				
CIL Review	30,000	50,000	0	0
Property Investment Board				
PIB Investment Strategy	24,076,413	0	0	0
Property Management				
New Market	17,021	0	0	0
Non PIB-Strategy & Programme Disposal	0	0	0	0
120-122 Exchange Road	16,700	0	0	0
Modular Housing Accommodation	1,528,531	2,000,000	2,000,000	0
Loan to HHW	6,000,000	0	0	0
Temp Housing Accommodation	1,465,467	0	0	0
STRATEGIC FINANCE				
Capital Support Services				
Support Services	552,470	552,470	552,470	552,470
Major Projects - FBP and QS	123,000	125,000	127,000	127,000
Business Systems				
Financial Systems Upgrade	87,000	0	0	0
TOTAL CURRENT CAPITAL PROGRAMME	53,882,364	24,961,159	7,677,280	16,280,280
CAPITAL GROWTH REQUESTS BY SERVICE				
COMMUNITY & ENVIRONMENTAL	0	2,923,200	2,495,000	325,000
DEMOCRACY & GOVERNANCE	0	2,310,000	10,861,000	382,000
PLACE SHAPING & PERFORMANCE	0	971,500	415,000	315,000
Total	0	6,204,700	13,771,000	1,022,000
TOTAL PROPOSED CAPITAL PROGRAMME	53,882,364	31,165,859	21,448,280	17,302,280

Analysis of Watford Riverwell Scheme

Description	2017/18	2018/19	2019/20	2020/21
Professional fees	140,565	780,713	100,000	100,000
Riverwell Ind Zone South	1,287,463	0	0	0
Riverwell Ind Zone South Loan	2,042,057	0	0	0
Riverwell Woodlands	863,777	445,000	0	0
Riverwell Waterside Phase 1	700,175	2,730,000	1,080,000	0
Riverwell Waterside Phase 2	413,950	938,000	1,551,000	1,999,000
Riverwell Mayfield	1,072,516	413,000	0	0
Riverwell Island Site	0	0	550,000	8,800,000
Riverwell Waterside Phase 3	539,322	369,000	0	3,260,000
Riverwell Cardiff Rd North	0	0	0	0
Riverwell Car Park	453,247	5,255,000	0	0
Marketing Suite	600,000	0	0	0
Total	8,113,072	10,930,713	3,281,000	14,159,000

Capital Funding (for approved and proposed capital programme)

FUNDING TYPE	2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
	£m	£m	£m	£m
Grants & Contributions	(1.5)	(0.2)	(0.1)	(0.1)
Agreed use reserves	(4.1)	(0.5)	0.0	0.0
Use of Capital Receipts	(15.3)	(22.8)	(15.8)	(17.2)
Section 106 & CIL Contributions	(0.7)	(0.0)	0.0	0.0
Internal Borrowing	(32.3)	(5.2)	0.0	0.0
Use of External Borrowing	0.0	(2.3)	(5.5)	7.8
TOTAL CAPITAL FUNDING APPLIED	(53.9)	(31.0)	(21.4)	(9.5)

Risk Matrix

No.	Type of Consequence	Comment	Likelihood	Impact	Overall Score
1	Project overruns	Most projects tend to lean towards 'optimism bias (over estimating that the project will be delivered on time and on budget) to avoid this it is important that the technical specification and outcome of each project is carefully considered at the project design stage.	3	3	9
2	Cost overruns	Cost overrun in project could be as a result of scope change. Any change in the project scope during execution will mean that the entire initial project plan will have to be reviewed such that a reviewed budget, schedule and quality will have to be developed.	3	3	9
3	Delays in project initiation	The complexity of project could also be a contributing factor to delay and cost overrun. This will may cause a cash flow problem, but is merely a timing difference. This can be affected by unforeseen works, extreme weather conditions resource availability and changes in material prices.	3	3	9
4	Capital receipts and Interest/dividends are deferred	This may result in a cash flow issue and short term borrowing may be necessary to support the funding of projects that are in progress	3	3	9
5	Returns are lower than expected	This is a key risk as failure to achieve the returns will increase the pressure on the budget gap and the Council's financial stability	2	4	8
6	Partners cease to collaborate	This is very unlikely, however it should not be discounted. If this were to happen it will have a detrimental effect on the Council's financial position and its reputation.	2	4	8
7	Revenue balances insufficient to meet estimate pay award increases	The medium term planning period takes into account the pay increases for the period 2018/19 - 2020/21	2	2	4
8	Revenue balances insufficient to meet estimate of Employers' pension contributions	Employee revenue contributions have been included in the budgets.	2	2	4
9	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	2	2	4
10	Interest rates resulting in significant variations in estimated interest income	The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy following the EU referendum continues to place uncertainty on the investment strategy.	3	3	9
11	Inaccurate estimates of fees and charges income	See Key Income Streams are shown in the latest Finance Digest	2	3	6
12	Revenue balances insufficient to meet loss of partial exemption for VAT	If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vat able expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs.	2	3	6

13	Major emergency	Major Emergency requires funds beyond Bellwin scheme and causes serious drain on balances	1	1	1
14	The estimated cost reductions and additional income gains are not achieved	Savings identified are monitored as part of the monthly budget monitoring process.	2	3	6
15	The income received from Commercial rents decreases	The rental income received from the Councils property portfolio is a significant proportion of the total income the Council receives.	2	4	8
16	The Council is faced with potential litigation and other employment related risks	The Council has one outstanding litigation case.	2	3	6
17	The amount of government grant is adversely affected	The provisional grant settlement for 2017/18 & 2018/19 have been factored into the MTFS . The council decided to accept the government offer of a 4 year settlement.	2	3	6
18	The amount of New Homes Bonus grant is adversely affected	The grant for 2018/19 has been factored into the MTFS .	3	3	9
19	Fluctuations in Business Rates Retention	The Council is legally obliged to cover the first 7.5% loss on its pre determined baseline level. The Council is currently in a safety net position	2	2	4
20	Right to Buy Receipts & VAT Shelter Receipts	Under the Housing stock transfer with Watford Community Housing (WCH) the Council is entitled to use its share of the proceeds to fund the capital programme. The level of activity on both these income streams are outside the Council's control.	2	3	6
1= VERY LOW RISK 4 = VERY HIGH RISK					
			Likelihood	Impact	Overall Score
		very low risk	1	1	1
		low risk	2	2	4
		high risk	3	3	9
		very high risk	4	4	16

Income (Charging Policy)

2018/19

Medium Term Financial Strategy



Watford Borough Council · TOWN HALL · WATFORD, HERTS WD17 3EX

Summary

This policy is set against the Audit Commission's review of charging in the public sector which recommended that;

- Councils should undertake regular reviews of their approaches to charging, both within service areas and across the council;
- Managers should ensure that income from charges, and the level of subsidy this provides, are transparent and inform the decision-making process;
- Councillors and managers should better understand the non-financial contribution charging has to strategic and service objectives.
- Councils do not make an effective use of their charging powers, and authorities need to change their approach to charging if they are to achieve their financial and strategic objectives. At a time when pressure on services is increasing in the public sector and revenues decreasing, councils need to understand, address and improve the way they charge for services.

Key Principles for a Charging Policy

In general a charge will be levied for all discretionary services on the principle "the user pays". Charges should seek to optimise potential income. The decision of whether to charge for a specific service will be subject to an assessment of the impact of charging on the delivery of the Councils corporate priorities and priority outcomes.

- In undertaking an 'impact assessment' the following questions will be asked:
- Why are we providing the service?
- Which of the Council's corporate priorities and priority outcomes are achieved by the service?
- What impact will charging have on the achievement of the Council's corporate priorities and priority outcomes?
- Do other similar or neighbouring Councils charge for the service and what is the impact of any such change?
- Are alternate service providers operating in the market and if so what is their level of charging?
- What is the estimated net additional income that is likely to be generated by the charge (i.e. impact on our financial position)?
- There are different levels, or basis, for the charging of service. The actual level, or basis of the charge, will be influenced by the impact assessments.

The objectives for differing charging strategies are shown below in table 1.

Table 1: Charging Strategy

Charging Strategy	Objective
Commercial Charges	The Council aims to cover the cost of providing the service and make a surplus used to fund other priority services. The full cost of the service, including an element for capital financing costs, support services and corporate overheads, will be the starting point for calculating charges.
Full Cost Recovery	The council aims to recover the costs of providing this service from those who use it. The full cost of the service, including an element for capital financing costs, support services and corporate overheads, will be the starting point for calculating charges.
Subsidised	Users of the service to make a contribution to the costs of providing it. This might be to meet a service objective or allow competition with other providers.
Free	The Council chooses to make the service available at no charge to meet a service objective - cost of service met by all Council Tax payers.
Statutory	Charges are determined in line with legal requirements.

Service Responsibilities

Service Managers should initially assess current chargeable services and allocate these to one of the categories above.

To maximise income from fees and charges in accordance with an Income policy, Service Managers are responsible for –

- Annually reviewing their services to identify any aspects that could be charged for and to introduce such charges unless Cabinet considers it would be inappropriate.
- Reviewing and varying fees and charges at least annually for services under their control, after consultation with the relevant Portfolio Holder and, in doing so, they shall –
 - ensure that relevant legislation is complied with,
 - have regard to the charges of any alternative service providers with whom the Council is competing, seek to maximise income, net of applicable costs, unless it will have a clearly detrimental impact on the achievement of the Council objectives.
 - introduce differential pricing to particular client groups where these are expected to stimulate demand and generate additional net income which would otherwise not be obtained.
 - set prices lower than could be reasonably achieved if this is the most cost effective way of achieving Council objectives and the necessary funding is available. Use of this option requires approval of Cabinet,
 - set fees and charges that allow an element of discretion if it can be demonstrated that this will lead to an overall benefit to the Council. It is important that any use of discretion is recorded so that it can be clearly shown that decisions have been made fairly and consistently.

Concessions

Concessions will be available to residents on identified income related benefits and discounts. These benefits and discounts include;

- Housing Benefit, in the form of Rent Allowance or Local Housing Allowance for people living in rented accommodation.
- Local Council Tax Reduction Scheme discount
- Income Support
- Job Seekers Allowance (income based)
- Working Tax credit
- Child Tax Credit
- Guaranteed Pension Credit (not Savings Pension Credit)
- Employment and Support Allowance (income based)
- Universal Credit

This list will change as changes are made to the names of the benefits or benefits themselves.

No concession is applied on the grounds of age (except Under 18 teams hiring football pitches) or disability unless the resident is in receipt of benefits.

Proof of Benefits and Discounts

Residents will need to confirm the type of the benefit or discount they are claiming and to give permission for a check to be made with the Councils' Revenues & Benefits section that this is the case.

Amount of Concessions

The amount of concession will be to apply a 50% reduction for all fees and charges.

Variations

For use of the Council's sports pitches the existing arrangements that provide for subsidised fees for junior (under 18) sports teams to use pitches is to continue so as to encourage usage and participation.

The Council's externally managed Leisure Centres operate specific concessions for particular activities.

Fees and Charges 2018/19 - Budget Movement Reconciliation

	(A) 2017/18 Original Budget £	(B) 2018/19 Draft Budget already included in MTFS £	(B) - (A) Variance Year on Year 2018/19 to 2017/18 £	(C) 2018/19 Proposed Budget £	(C) - (B) Variance Draft to Proposed £	Comments
COMMUNITY & ENVIRONMENTAL						
Parks, Pitches & Woods	(15,800)	(15,800)	0	(16,260)	(460)	
Community Centres	(23,500)	(23,500)	0	(14,500)	9,000	
Cemeteries	(307,500)	(314,500)	(7,000)	(368,500)	(54,000)	Increase in fees
Allotments	0	0	0	0	0	
Cheslyn	(1,000)	(1,000)	0	(1,000)	0	
SLM	(293,000)	(293,000)	0	(293,000)	0	New contractor has been appointed there will be an increase in the management fee payable to the Council and is shown separately in the budget setting report
Waste	(54,490)	(24,970)	29,520	(62,200)	(37,230)	
Specials & Street Cleansing	(85,840)	(49,630)	36,210	(50,480)	(850)	
Arts, Events and Heritage	(18,900)	(18,100)	800	(19,450)	(1,350)	
Licenses	(149,500)	(167,491)	(17,991)	(187,500)	(20,009)	
Other Licenses	(21,400)	(21,350)	50	(27,650)	(6,300)	
Gaming Licenses	(105,110)	(105,110)	0	(101,410)	3,700	
Stray Dogs	(2,200)	(2,200)	0	(2,300)	(100)	Reduction in rats & mice
Pests	(36,290)	(36,290)	0	(29,900)	6,390	
Environmental Abandoned Vehicles	(1,800)	(1,800)	0	(1,800)	0	
Environmental Miscellaneous	(33,000)	(33,000)	0	(23,000)	10,000	Savings in other areas of this team's work balance this reduced income and refocus of reosurces. Littering is much reduced and therefore the need and ability to issue littering FPNs is reduced. The income may increase next year with the ongoing use of FPNs for flytipping.
	(1,149,330)	(1,107,741)	41,589	(1,198,950)	(91,209)	
SERVICE TRANSFORMATION						
Customer Services (including Information Unit)	(12,500)	(15,000)	(2,500)	(12,500)	2,500	
	(12,500)	(15,000)	(2,500)	(12,500)	2,500	
PLACE SHAPING & PERFORMANCE						
Housing	(600,000)	(600,000)	0	(626,010)	(26,010)	Increase in rents from hostel & dwellings
Parking - Controlled Parking Zones (see below)	(1,341,900)	(1,341,900)	0	(1,440,000)	(98,100)	Increase in pay & display, this effects the parking reserve - see below
Parking - Other (incl. Avenue, Longspring & Town H	(231,500)	(231,500)	0	(237,000)	(5,500)	
Building Control	(232,500)	(242,500)	(10,000)	(279,000)	(36,500)	Increase in application fees
Development Control (including Policy Team)	(640,000)	(520,000)	120,000	(710,000)	(190,000)	Increase in planning application fees by 20% re recent Government legislation
Land Searches	(120,000)	(120,000)	0	(120,000)	0	
	(3,165,900)	(3,055,900)	110,000	(3,412,010)	(356,110)	
DEMOCRACY & GOVERNANCE						
Town Hall Facilities	(273,300)	(214,300)	59,000	(214,300)	0	
Elections Unit	(3,500)	(3,500)	0	(3,500)	0	
	(276,800)	(217,800)	59,000	(217,800)	0	
STRATEGIC FINANCE						
Council Tax (Single Person Discount)	(2,000)	(2,000)	0	(2,000)	0	
	(2,000)	(2,000)	0	(2,000)	0	
Sub Total	(4,606,530)	(4,398,441)	208,089	(4,843,260)	(444,819)	
Less : Parking - Controlled Parking Zones (v see above)	1,341,900	1,341,900	0	1,440,000	98,100	
Total	(3,264,630)	(3,056,541)	208,089	(3,403,260)	(346,719)	

COMMUNITY SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
PARKS / SPORTS PITCHES & WOODS**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Standard rated & inclusive of VAT									
<u>PARKS & SPORTS PITCHES</u>									
<u>CRICKET</u>									
Other wickets - per match (adults)	£50.00	x	x	✓	x	x	£52.00	4.00 %	
Other wickets - per match (Juniors)	£26.00	x	x	✓	x	x	£27.00	3.85 %	
<u>FOOTBALL</u>									
Seniors with changing facilities & showers	£56.00	x	x	✓	x	x	£58.00	3.57 %	
Juniors with changing facilities & showers	£25.00	x	x	✓	x	x	£26.00	4.00 %	
<u>HURLING/RUGBY</u>									
Per match including corner flags	£50.00	x	x	✓	x	x	£52.00	4.00 %	
<u>Exempt from VAT</u>									
<u>FOOTBALL</u>									
Seniors with changing facilities & showers (15 games)	£730.00	x	x	✓	x	x	£755.00	3.42 %	
Juniors with changing facilities & showers (12 games)	£235.00	x	x	✓	x	x	£243.00	3.40 %	
Seniors with no changing facilities & showers (15 games)	£435.00	x	x	✓	x	x	£450.00	3.45 %	
Juniors with no changing facilities & showers (12 games)	£180.00	x	x	✓	x	x	£186.00	3.33 %	
Under 11s (small size pitch per season)	£100.00	x	x	✓	x	x	£103.00	3.00 %	
<u>FOOTBALL TRAINING</u>									
KGVPF, Oxhey Park (per hour)	£15.00	x	x	✓	x	x	£15.50	3.33 %	
Changing accommodation / showers (per event)	£20.00	x	x	✓	x	x	£21.00	5.00 %	
<u>PARKS & SPORTS PITCHES</u>									
<u>BOWLS</u>									
Club hire of rinks (per season)	£1,100.00	x	x	✓	x	x	£1,135.00	3.18 %	
<u>CRICKET</u>									
Enclosed wicket (per season)	£3,000.00	x	x	✓	x	x	£3,100.00	3.33 %	
<u>CROQUET</u>									
Seasonal charges :-									
Adults	£50.00	x	x	✓	x	x	£52.00	4.00 %	
OAPs	£25.00	x	x	✓	x	x	£26.00	4.00 %	
<u>TENNIS - club charges</u>									
Hire of court per season (May-Sept inc)	£1,150.00	x	x	✓	x	x	£1,185.00	3.04 %	
<u>Zero Rated</u>									
Orienteering maps up to 5 copies	free	x	x	x	✓	x	free		
Subsequent copies each	£2.00	x	✓	x	x	x	£2.50	25.00 %	

BUDGET POSITION SUMMARY - PARKS, PITCHES & WOODS

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
SALES							
FEES & CHARGES							
LAND & PROPERTY BASED CHARGES							
KPS000-I0901 - Rent	(8,000)	(8,000)	(8,240)	3		(8,240)	(8,240)
KPS000-I0902 - Rent - Advertising Site	(7,000)	(7,000)	(7,220)	3		(7,220)	(7,220)
KPS000-I0906 - Rent - Wayleaves	(800)	(800)	(800)	NO CHANGE		(800)	(800)
	(15,800)	(15,800)	(16,260)			(16,260)	(16,260)

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-

CENTREPOINT COMMUNITY CENTRE

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
<u>HIRE OF FACILITIES</u>									
Commercial / Functions Main Hall (Evenings & Weekends)	£32.00	x	x	✓	x	x	£32.00	NO CHANGE	
Commercial / Functions I.T Suite (Evenings & Weekends)	£32.00	x	x	✓	x	x	£32.00	NO CHANGE	
Commercial / Functions Annexe Rooms (Evenings & Weekends)	£22.00	x	x	✓	x	x	£22.00	NO CHANGE	
Commercial / Functions Main Hall (Weekdays)	£26.00	x	x	✓	x	x	£26.00	NO CHANGE	
Commercial / Functions I.T Suite (Weekdays)	£26.00	x	x	✓	x	x	£26.00	NO CHANGE	
Commercial / Functions Annexe Rooms (Weekdays)	£16.00	x	x	✓	x	x	£16.00	NO CHANGE	
Community Rate Main Hall (Evenings & Weekends)	£16.00	x	x	✓	x	x	£16.00	NO CHANGE	
Community Rate I.T Suite (Evenings & Weekends)	£16.00	x	x	✓	x	x	£16.00	NO CHANGE	
Community Rate Annexe Rooms (Evenings & Weekends)	£12.00	x	x	✓	x	x	£12.00	NO CHANGE	
Community Rate Main Hall (Weekdays)	£12.50	x	x	✓	x	x	£12.50	NO CHANGE	
Community Rate I.T Suite (Weekdays)	£12.50	x	x	✓	x	x	£12.50	NO CHANGE	
Community Rate Annexe Rooms (Weekdays)	£8.50	x	x	✓	x	x	£8.50	NO CHANGE	
Charity Rate Main Hall (Evenings & Weekends)	£13.00	x	x	✓	x	x	£13.00	NO CHANGE	
Charity Rate I.T Suite (Evenings & Weekends)	£13.00	x	x	✓	x	x	£13.00	NO CHANGE	
Charity Rate Annexe Rooms (Evenings & Weekends)	£9.00	x	x	✓	x	x	£9.00	NO CHANGE	
Charity Rate Main Hall (Weekdays)	£9.00	x	x	✓	x	x	£9.00	NO CHANGE	
Charity Rate I.T Suite (Weekdays)	£9.00	x	x	✓	x	x	£9.00	NO CHANGE	
Charity Rate Annexe Rooms (Weekdays)	£6.00	x	x	✓	x	x	£6.00	NO CHANGE	
Additional staff member	£8.00	x	x	✓	x	x	£8.00	NO CHANGE	
Promotional Childrens Parties	£50	x	✓	x	x	x	£60.00	20.00 %	

BUDGET POSITION SUMMARY - COMMUNITY CENTRES

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
<u>FEES & CHARGES</u>							
JCE000-I0650 - Centrepont CC - Room Hire	(19,000)	(19,000)	(10,000)	(47)		(10,000)	(10,000)
<u>LAND & PROPERTY BASED CHARGES</u>							
DHE000-I0901 - Woodside CC - Rent	(4,500)	(4,500)	(4,500)	NO CHANGE		(4,500)	(4,500)
	(23,500)	(23,500)	(14,500)			(14,500)	(14,500)

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- ALLOTMENTS

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
Allotments Per pole per annum	£5.00	x	x	✓	x	x	£5.10	2.00 %	
50% reduction for the disabled and those in receipt of income related benefit									

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- EVENTS AND HIRE OF CHESLYN GARDENS

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Standard rated & inclusive of VAT									
CHESLYN GARDENS									
Hire of garden for wedding photos	£35.00	x	x	✓	x	x	£40.00	14.29 %	
Exempt from VAT									
CHESLYN HOUSE									
Hire of 2 meeting rooms & kitchen per hour	£36.00	x	x	✓	x	x	£38.00	5.56 %	
Reduced charge for recognised voluntary groups per hour	£12.00	x	x	✓	x	x	£13.00	8.33 %	
PARKS - GENERAL									
HIRE OF FACILITIES									
Commercial rate per day up to 1500 people	£1,500.00	x	x	x	x	x	£1,550.00	3.33 %	
Commercial rate per day up to 1500-5000 people	£5,000.00	x	x	x	x	x	£5,150.00	3.00 %	
Commercial rate per day 5000 +	to be negotiated	x	x	x	x	x	to be negotiated	NO CHANGE	
Non commercial rate per day	£650.00	x	x	x	x	x	£670.00	3.08 %	
Local charities and community groups	Free	x	x	x	✓	x	£80.00		
*Bandstand Hire (community organisations)	Free						Free	NO CHANGE	
*Bandstand Hire (private party)	Free						£100.00		
*Cassiobury Hub Education Room Hire per hour	£10.00						£20.00	100.00 %	
*Events and activities							depends on event		

*New lines added

BUDGET POSITION SUMMARY - CHESLYN GARDENS

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
KRA000-10676 - Use of Facilities	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
	(1,000)	(1,000)	(1,000)			(1,000)	(1,000)

COMMUNITY SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
CEMETERIES (continued)**

RESIDENT.....continued

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
Kerbs									
* a) Enclosing a space not exceeding 7ft x 3ft	£100.00	x	x	✓	x	x	£105.00	5.00 %	
* b) Enclosing a space not exceeding 4ft x 2ft in the Garden of Rest and Children's Section	£50.00	x	x	✓	x	x	£50.00	NO CHANGE	
Vases									
* For each vase, maximum size 12"x12"x12"	£30.00	x	x	✓	x	x	£35.00	16.67 %	
a) Separate, or as an addition to a headstone, not exceeding 18" x 12"	£50.00	x	x	✓	x	x	£55.00	10.00 %	
b) Where an inscription table or plate takes the place of a memorial	£100.00	x	x	✓	x	x	£105.00	5.00 %	
* Complete memorial, consisting of headstone & Kerbs	£350.00	x	x	✓	x	x	£360.00	2.86 %	
THE FEES INDICATED FOR THE VARIOUS HEADS OF THIS PART INCLUDE THE ORIGINAL INSCRIPTION(S) WHEN THE MEMORIAL IS APPROVED									
Fees for each subsequent inscription to an existing memorial	£60.00	x	x	✓	x	x	£65.00	8.33 %	
* Any other replacement works not covered by above									
Standard rated & exclusive of VAT									
PART 4 Miscellaneous									
The Burial Register - fee for transfer of grave grant for the exclusive right of burial	£41.00	x	x	✓	x	x	£42.00	2.44 %	
Fee for the searches of Burial Register and for copies of extract to be taken there from	£56.00	x	x	✓	x	x	£58.00	3.57 %	
Fee for the use of the Chapel	£128.00	x	x	✓	x	x	£135.00	5.47 %	
Outside Scope for VAT purposes									
PART 5 Maintenance of Grave spaces									
Turfing a grave	£100.00	x	x	✓	x	x	£105.00	5.00 %	
Partial burying of headstone following failure of safety test	£125.00	x	x	✓	x	x	£130.00	4.00 %	
Supply soil for memorial inset	£100.00	x	x	✓	x	x	£105.00	5.00 %	
* Any other replacement works not covered by above									
NOTE: Memorials can now be placed on graves of stillborn children FREE of CHARGE Size: 12" x 12" x 2". To be laid flat on grave surface									

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- CEMETERIES

RESIDENT

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
If the deceased has lived away from the Watford area for less than 60 months the Resident charge will be made									
TABLE OF FEES									
PART 1									
Exclusive rights of burial in earthen grave									
Exclusive right of burial for 50 yrs in an earthen grave on all sections including Muslim section	£1,320.00	x	x	✓	x	x	£1,350.00	2.27 %	
Walled graves & vaults:									
For the right to construct & build a walled grave or vault & for the exclusive right of burial for 50 yrs on all sections 8ftx4ft	£2,445.00	x	x	✓	x	x	£2,500.00	2.25 %	
The Garden of Rest									
For the exclusive right of burial for 50 yrs of cremated remains in the Garden of Rest at North Watford 4ft X 2ft	£640.00	x	x	✓	x	x	£650.00	1.56 %	
The Garden of Remembrance									
For the exclusive rights of burial for 50 yrs of cremated remains in the Garden of Remembrance at North Watford Cemetery size 2ft X 1ft	£560.00	x	x	✓	x	x	£575.00	2.68 %	
CHILDREN'S SECTION									
For the exclusive right of burial for 50 years 4ft x 2ft	£100.00	x	x	✓	x	x	£100.00	NO CHANGE	
For the exclusive right of burial for 50 years of a single depth grave for a child aged 5 years or over but not an adult	£200.00	x	x	✓	x	x	£200.00	NO CHANGE	
PART 2									
Interments - the fees indicated for various heads :-									
a) include the digging of the grave and									
b) Apply only where the interment is made between the hours of 9.30 am & 3.30 pm, or on the Certificate of a Coroner or Registered Medical Practitioner that immediate interment necessary. In any other case, an additional sum is payable	£82.00	x	x	✓	x	x	£85.00	3.66 %	
For an interment in a grave in respect of which an exclusive right of burial HAS been granted :-									
a) All sections	£685.00	x	x	✓	x	x	£700.00	2.19 %	
b) The children's section. All graves for 1 interment at a depth of 4ft size of grave spaces 4ft x 2ft	£165.00	x	x	✓	x	x	£165.00	NO CHANGE	
d) For the interment / scattering of cremated remains in / on any grave on any section including Garden of Rest/Remembrance	£235.00	x	x	✓	x	x	£240.00	2.13 %	
e) For a stillborn child, or child whose age at the time of death did not exceed 1 month	£38.00	x	x	✓	x	x	£38.00	NO CHANGE	
f) Non viable foetus burial	£38.00	x	x	✓	x	x	£38.00	NO CHANGE	
g) Shrouded burial fee	£97.00	x	x	✓	x	x	£100.00	3.09 %	
For an interment in a grave in respect of which an exclusive right of burial HAS NOT been granted :-									
a) For a stillborn child, or child whose age at the time of death did not exceed 1 month	£37.00	x	x	✓	x	x	£37.00	NO CHANGE	
b) For a child whose age at the time of death exceeded 1 month but did not exceed 5 years	£100.00	x	x	✓	x	x	£100.00	NO CHANGE	
c) For a child over 5 years or an adult	£275.00	x	x	✓	x	x	£280.00	1.82 %	
PART 3									
Fees for memorial work and monumental work for the right to erect or place on a grave or vault in respect of which the exclusive right of burial has been granted									
Headstones, or any other type of monument									
a) Not exceeding 3ft 6ins in height	£205.00	x	x	✓	x	x	£210.00	2.44 %	
b) Not exceeding 2ft 6inc in the Garden of Rest and in the children's section	£102.00	x	x	✓	x	x	£102.00	NO CHANGE	
c) Garden of Remembrance-as approved-sole design allowed	£92.00	x	x	✓	x	x	£95.00	3.26 %	

COMMUNITY SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
CEMETERIES (continued)**

NON RESIDENT

Description	2017/18 Charge	PRICING STRATEGY				Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE			
Outside Scope for VAT purposes								
If the deceased has lived away from the Watford area for less than 60 months the Resident charge will be made								
PART 1								
Exclusive rights of burial in earthen grave								
Exclusive right of burial for 50 yrs in an earthen grave on all sections including Muslim section	£3,975.00	x	x	✓	x	£4,100.00	3.14 %	
Walled graves & vaults:								
For the right to construct & build a walled grave or vault & for the exclusive right of burial for 50 yrs on all sections 8ftx4ft	£7,340.00	x	x	✓	x	£7,500.00	2.18 %	
The Garden of Rest								
For the exclusive right of burial for 50 yrs of cremated remains in the Garden of Rest at North Watford 4ft X 2ft	£1,925.00	x	x	✓	x	£1,950.00	1.30 %	
The Garden of Remembrance								
For the exclusive rights of burial for 50 yrs of cremated remains in the Garden of Remembrance at North Watford Cemetery size 2ft X 1ft	£1,680.00	x	x	✓	x	£1,750.00	4.17 %	
CHILDREN'S SECTION								
For the exclusive right of burial for 50 years 4ft x 2ft	£300.00	x	x	✓	x	£310.00	3.33 %	
For the exclusive right of burial for 50 years of a single depth grave for a child aged 5 years or over but not an adult	£610.00	x	x	✓	x	£630.00	3.28 %	
PART 2								
Interments - the fees indicated for various heads :-								
a) Include the digging of the grave and								
b) Apply only where the interment is made between the hours of 9.30 am & 3.30 pm, or on the Certificate of a Coroner or Registered Medical Practitioner that immediate interment necessary. In any other case, an additional sum is payable and								
c) Apply provided that the interment is made within 15 minutes of the time arranged with the "superintendent". If not an additional sum is payable	£245.00	x	x	✓	x	£250.00	2.04 %	
For an interment in a grave in respect of which an exclusive right of burial HAS been granted :-								
a) All sections	£2,065.00	x	x	✓	x	£2,100.00	1.69 %	
b) The children's section. All graves for 1 interment at a depth of 4ft size of grave spaces 4ft X2ft	£165.00	x	x	✓	x	£170.00	3.03 %	
c) caskets including extra digging required	£2,700.00	x	x	✓	x	£2,800.00	3.70 %	
d) For the interment / scattering of cremated remains in / on any grave on any section including Garden in/on any grave on any section including Garden of Rest/Remembrance	£703.00	x	x	✓	x	£725.00	3.13 %	
e) For a stillborn child, or child whose age at the time of death did not exceed 1 month of death did not exceed 1 month	£38.00	x	x	✓	x	£38.00	NO CHANGE	
f) Non viable foetus burial	£38.00	x	x	✓	x	£38.00	NO CHANGE	
g) Shrouded burial fee	£285.00	x	x	✓	x	£290.00	1.75 %	
For an interment in a grave in respect of which an exclusive right of burial HAS NOT been granted :-								
a) For a stillborn child, or child whose age at the time of death did not exceed 1 month	£38.00	x	x	✓	x	£38.00	NO CHANGE	
b) For a child whose age at the time of death exceeded 1 month but did not exceed 5 yrs.	£100.00	x	x	✓	x	£100.00	NO CHANGE	
c) For a child over 5 years or an adult	£825.00	x	x	✓	x	£850.00	3.03 %	
PART 3								
Fees for memorial work & monumental work for the right to erect or place on a grave or vault in respect of which the exclusive right of burial has been granted								
Outside Scope for VAT purposes								
PART 3								
Fees for memorial work & monumental work for the right to erect or place on a grave or vault in respect of which the exclusive right of burial has been granted								
Headstone, or any other type of monument								
a) Not exceeding 3ft 6inc in height	£610.00	x	x	✓	x	£620.00	1.64 %	
b) Not exceeding 2ft 6inc in the Garden of rest and in the children's section	£305.00	x	x	✓	x	£315.00	3.28 %	
c) Garden of Remembrance - as approved-sole design allowed	£275.00	x	x	✓	x	£280.00	1.82 %	
LEDGERS								
* A ledger not exceeding 7ft x 3ft	£300.00	x	x	✓	x	£310.00	3.33 %	
KERBS								
* a) Enclosing a space not exceeding 7ft x 3ft	£300.00	x	x	✓	x	£310.00	3.33 %	
* b) Enclosing a space not exceeding 4ft x 2ft in the Garden of Rest and children's Section	£150.00	x	x	✓	x	£155.00	3.33 %	
Vases								
* For each vase, maximum size 12" x 12" x 12"	£90.00	x	x	✓	x	£100.00	11.11 %	
a) separate, or as an addition to a headstone, not exceeding 18" x 12"	£150.00	x	x	✓	x	£160.00	6.67 %	
b) Where an inscription table or plate takes the place of a headstone, either at the foot or head of a memorial	£300.00	x	x	✓	x	£310.00	3.33 %	
* Complete memorial, consisting of headstone and kerbs	£1,050.00	x	x	✓	x	£1,100.00	4.76 %	
MEMORIAL BENCHES								
David Ogilvie Steel bench - supply and install with plaque	£2,000.00	✓	x	x	x	£2,000.00	NO CHANGE	
Plaque on existing bench - supply and install with maintenance	£250.00	✓	x	x	x	£250.00	NO CHANGE	
MEMORIAL TREES								
Supply and plant Standard tree with 5 years maintenance	£1,000.00	✓	x	x	x	£1,000.00	NO CHANGE	
THE FEES INDICATED FOR THE VARIOUS HEADS OF THIS PART INCLUDED THE ORIGINAL INSCRIPTION(S) WHEN THE MEMORIAL IS APPROVED								
Fees for each subsequent inscription to an existing memorial	£60.00	x	x	✓	x	£60.00	NO CHANGE	
* Any other replacement works not covered by above								
* GRAVE SPACES PURCHASED PRIOR TO 1ST APRIL 1981 ONLY								

COMMUNITY SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
CEMETERIES (continued)**

NON RESIDENT.....continued

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Standard rated & exclusive of VAT									
* Any other replacement works not covered by above									
* GRAVE SPACES PURCHASED PRIOR TO 1ST APRIL 1981 ONLY									
PART 4									
Miscellaneous									
The Burial Register - fee for transfer of grave grant for the exclusive right of burial	£41.00	x	x	✓	x	x	£42.00	2.44 %	
Fee for the searches of Burial Register and for copies of extract to be taken there from	£56.00	x	x	✓	x	x	£60.00	7.14 %	
Fee for the use of the Chapel	£382.00	x	x	✓	x	x	£400.00	4.71 %	
PART 5									
Outside Scope for VAT purposes									
Maintenance of Grave spaces									
Turfing a grave	£100.00	x	x	✓	x	x	£110.00	10.00 %	
Partial burying of headstone following failure of safety test	£125.00	x	x	✓	x	x	£130.00	4.00 %	
Supply soil for memorial inset	£100.00	x	x	✓	x	x	£110.00	10.00 %	
* Any other replacement works not covered by above									
NOTE:									
Memorials can now be placed on graves of stillborn children									
FREE of CHARGE Size: 12" x 12" x 2". To be laid flat on grave surface									
PART6									
Weekend Burials									
Metal liner requirement	£500.00						£500.00	NO CHANGE	
Gardens of Peace fee	£435.00						£435.00	NO CHANGE	

BUDGET POSITION SUMMARY - CEMETERIES

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
KNA000-I0520 - Sale of Grave Spaces	(150,000)	(150,000)	(175,000)	17		(175,000)	(175,000)
KNA000-I0522 - Burial Fees	(120,000)	(120,000)	(150,000)	25		(150,000)	(150,000)
KNA000-I0524 - Memorial Fees	(25,000)	(30,000)	(30,000)	20		(30,000)	(30,000)
KNA000-I0526 - Use of Chapel	(4,000)	(6,000)	(5,000)	25		(5,000)	(5,000)
KNA000-I0527 - Transfer Fees	(2,500)	(2,500)	(2,500)	NO CHANGE		(2,500)	(2,500)
LAND & PROPERTY BASED CHARGES							
KNA000-I0901 - Rent	(6,000)	(6,000)	(6,000)	NO CHANGE		(6,000)	(6,000)
	(307,500)	(314,500)	(368,500)			(368,500)	(368,500)

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-

LEISURE CENTRES - OPERATED BY SLM

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (%)	Affected By 2018/19		Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			SAVINGS PROPOSAL	GROWTH PROPOSAL	
Standard rated & incl of VAT if applicable											fees increased inline with leisure contract
Main Hall / Dry Side Activities :-											
Half hall hire - Woodside - Adult	£61.00	✓	✗	✗	✗	✗	£63.00	3.28 %	N	N	
- Junior	£30.50	✓	✗	✗	✗	✗	£31.50	3.28 %	N	N	
Whole Hall hire - Woodside - Adult	£123.00	✓	✗	✗	✗	✗	£127.00	3.25 %	N	N	
- Junior	£61.00	✓	✗	✗	✗	✗	£63.00	3.28 %	N	N	
Whole Hall hire - Central - Adult	£61.00	✓	✗	✗	✗	✗	£63.00	3.28 %	N	N	
- Junior	£30.50	✓	✗	✗	✗	✗	£31.50	3.28 %	N	N	
Cricket	£61.00	✓	✗	✗	✗	✗	£62.80	2.95 %	N	N	
Parties with food, party leader up to 16 kids											
Dry side (football / allsportz, bouncy castle)	£187.00	✓	✗	✗	✗	✗	£194.00	3.74 %	N	N	
Wetside (mini, mega wet and wild)	£208.00	✓	✗	✗	✗	✗	£215.00	3.37 %	N	N	
Wetside (inflatable)	£215.00	✓	✗	✗	✗	✗	£222.00	3.26 %	N	N	
Trampoline and Dance Party	£208.00	✓	✗	✗	✗	✗	£215.00	3.37 %	N	N	
Additional children	£9.45	✓	✗	✗	✗	✗	£9.80	3.70 %	N	N	
Additional party leader	£17.25	✓	✗	✗	✗	✗	£17.80	3.19 %	N	N	
Cost per head for food	£3.55	✓	✗	✗	✗	✗	£3.60	1.41 %	N	N	
Parties (self catering, party leader, up to 16 kids)											
Dry side (football/allsportz,bouncy castle)	£132.00	✓	✗	✗	✗	✗	£137.00	3.79 %	N	N	
Wetside (mini, mega wet and wild)	£154.50	✓	✗	✗	✗	✗	£160.00	3.56 %	N	N	
Wetside (inflatable)	£164.50	✓	✗	✗	✗	✗	£170.00	3.34 %	N	N	
Trampoline and Dance Party	£156.00	✓	✗	✗	✗	✗	£162.00	3.85 %	N	N	
Additional children	£6.00	✓	✗	✗	✗	✗	£6.20	3.33 %	N	N	
Additional party leader	£17.00	✓	✗	✗	✗	✗	£17.80	4.71 %	N	N	
Junior Activities											
Active antz	£5.60	✓	✗	✗	✗	✗	£5.80	3.57 %	N	N	
Crafty tots	£6.25	✓	✗	✗	✗	✗	£6.45	3.20 %	N	N	
Mini gym	£5.60	✓	✗	✗	✗	✗	£5.80	3.57 %	N	N	
Mini dribblers	£5.60	✓	✗	✗	✗	✗	£5.80	3.57 %	N	N	
Mini bouncers	£5.60	✓	✗	✗	✗	✗	£5.80	3.57 %	N	N	
Sports Course - Adult - Dry	£6.55	✓	✗	✗	✗	✗	£6.80	3.82 %	N	N	
Trampolining (drop-in adults)	£6.75	✓	✗	✗	✗	✗	£6.90	2.22 %	N	N	
Pilates (3 wks - 45mins)	£19.00	✓	✗	✗	✗	✗	£19.60	3.16 %	N	N	
Pilates (members)	£0.00	✓	✗	✗	✗	✗	£0.00		N	N	
Swimming Course - Adult	£5.65	✓	✗	✗	✗	✗	£5.80	2.65 %	N	N	
Swimming Coaching 1 hour (Sat am only)	£5.65	✓	✗	✗	✗	✗	£5.80	2.65 %	N	N	
Everyone Active card - Watford & Three Rivers	Free Of Charge	✗	✗	✗	✓	✗	£0.00		N	N	
Everyone Active card - Non resident adult	£25.00	✓	✗	✗	✗	✗	£25.50	2.00 %	N	N	
Everyone Active card - Non resident junior	£15.25	✓	✗	✗	✗	✗	£15.70	2.95 %	N	N	
Everyone Active card - Non resident - family (2 adults and up to 3 children)	£61.00	✓	✗	✗	✗	✗	£62.25	2.05 %	N	N	
Lost card/replacement	£0.00	✓	✗	✗	✗	✗	£0.00		N	N	
50+ Short Mat Bowls	£2.80	✓	✗	✗	✗	✗	£2.85	1.79 %	N	N	
50+ Keep Fit	£3.40	✓	✗	✗	✗	✗	£3.50	2.94 %	N	N	
50+ Line Dancing	£3.60	✓	✗	✗	✗	✗	£3.70	2.78 %	N	N	
50+ Tap	£3.40	✓	✗	✗	✗	✗	£3.50	2.94 %	N	N	
50+ Water Workout	£4.60	✓	✗	✗	✗	✗	£4.70	2.17 %	N	N	
50+ Swimming	£2.25	✓	✗	✗	✗	✗	£2.30	2.22 %	N	N	
50+ Badminton	£3.35	✓	✗	✗	✗	✗	£3.45	2.99 %	N	N	
Back to Netbal	£3.70	✓	✗	✗	✗	✗	£3.80	2.78 %	N	N	

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- LEISURE CENTRES - OPERATED BY SLM (Continued)

Description	2017/18 Charge	PRICING					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Affected By		Comments	
		STRATEGY							2018/19			
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			SAVINGS PROPOSAL	GROWTH PROPOSAL		
												Y or N
Standard rated & incl of VAT if applicable												
Hire Prices (A refundable deposit of £5.00 is required per each item hired)											fees increased inline with leisure contract	
Badminton Racquets	£2.50	✓	✗	✗	✗	✗	£2.55	2.00 %	N	N		
Table Tennis Bats	£2.50	✓	✗	✗	✗	✗	£2.55	2.00 %	N	N		
Squash racquets	£2.50	✓	✗	✗	✗	✗	£2.55	2.00 %	N	N		
Trampoline per hour	£13.75	✓	✗	✗	✗	✗	£14.10	2.55 %	N	N		
Equipment purchase :-												
Squash balls	£2.50	✓	✗	✗	✗	✗	£2.55	2.00 %	N	N		
Shuttlecocks	£2.25	✓	✗	✗	✗	✗	£2.30	2.22 %	N	N		
Meetings :-												
Conference Room & Executive Suite (WLC)	20.00 - 26.00	✓	✗	✗	✗	✗	21.00 - 27.00	no change	N	N		
Studios :-												
Studio 1 (14.7 x 11.7)	£32.00	✓	✗	✗	✗	✗	£33.00	3.13 %	N	N		
Studio 2 (12.5 x 9.8)	£27.75	✓	✗	✗	✗	✗	£28.60	3.06 %	N	N		
Studio 3 - (8.9 x 9.9)	£22.25	✓	✗	✗	✗	✗	£23.00	3.37 %	N	N		
Studio 1 (Central)	£27.25	✓	✗	✗	✗	✗	£28.20	3.49 %	N	N		
Creche	£22.00	✓	✗	✗	✗	✗	£22.80	3.64 %	N	N		
Schools per half hour per teacher	£31.25	✓	✗	✗	✗	✗	£32.40	3.68 %	N	N		
Second teacher per pool	£21.05	✓	✗	✗	✗	✗	£21.70	3.09 %	N	N		
Gym, per student	£3.00	✓	✗	✗	✗	✗	£3.10	3.33 %	N	N		
Woodside Stadium :-												
Public Training - Adult	£4.80	✓	✗	✗	✗	✗	£4.90	2.08 %	N	N		
- Junior	£2.70	✓	✗	✗	✗	✗	£2.75	1.85 %	N	N		
Adult (Watford Harriers Club Members)	£4.15	✓	✗	✗	✗	✗	£4.25	2.41 %	N	N		
Junior (Watford Harriers Club Members)	£1.70	✓	✗	✗	✗	✗	£1.75	2.94 %	N	N		
Season Tickets adults - Summer												
- Winter	£87.00	✓	✗	✗	✗	✗	£89.00	2.30 %	N	N		
- Yearly	£66.00	✓	✗	✗	✗	✗	£67.50	2.27 %	N	N		
Season Tickets junior - Summer	£126.00	✓	✗	✗	✗	✗	£129.00	2.38 %	N	N		
- Winter	£40.50	✓	✗	✗	✗	✗	£41.50	2.47 %	N	N		
- Yearly	£30.50	✓	✗	✗	✗	✗	£31.25	2.46 %	N	N		
	£60.50	✓	✗	✗	✗	✗	£62.00	2.48 %	N	N		
Athletics Meet (Up to 8 hours Mon - Fri up to 5pm)												
Athletics Meet (Up to 8 hours Weekend or Bank Holiday)	£156.00	✓	✗	✗	✗	✗	£160.00	2.56 %	N	N		
Athletics Meet (Up to 4 hours Midweek evening from 6pm)	£245.00	✓	✗	✗	✗	✗	£250.00	2.04 %	N	N		
Athletics Meet - Additional hours	£96.00	✓	✗	✗	✗	✗	£98.50	2.60 %	N	N		
School Athletic Meet/Sports Day (Up to 5pm weekdays)	£53.00	✓	✗	✗	✗	✗	£54.50	2.83 %	N	N		
Member of staff	£96.00	✓	✗	✗	✗	✗	£98.50	2.60 %	N	N		
Additional colleagues / person	£17.25	✓	✗	✗	✗	✗	£17.75	2.90 %	N	N		
Car Park Steward for large events	£17.25	✓	✗	✗	✗	✗	£17.75	2.90 %	N	N		
Athletic Meet - Set up time per hr	£12.25	✓	✗	✗	✗	✗	£12.60	2.86 %	N	N		
Athletic Meet - Clean Up time per hr	£21.25	✓	✗	✗	✗	✗	£21.85	2.82 %	N	N		
Harriers Charges												
Hire for training/coaching purposes, day time inc	£21.25	✓	✗	✗	✗	✗	£21.85	2.82 %	N	N		
As Above including Flood Lights in Evening, plus a colleague	£25.50	✓	✗	✗	✗	✗	£26.25	2.94 %	N	N		
	£40.50	✓	✗	✗	✗	✗	£41.50	2.47 %	N	N		
Block Booking (standard price less VAT where bookings are 10 consecutive weeks or more)												
ATP 1x5v5 - Adult												
ATP 1x5v5 - Junior	£35.50	✓	✗	✗	✗	✗	£36.50	2.82 %	N	N		
Badminton Clubs - Adult	£18.50	✓	✗	✗	✗	✗	£19.00	2.70 %	N	N		
Sports Activity - Adult	£12.30	✓	✗	✗	✗	✗	£12.65	2.85 %	N	N		
- Junior	£47.50	✓	✗	✗	✗	✗	£48.75	2.63 %	N	N		
Cricket (Nets only) - Adult	£24.00	✓	✗	✗	✗	✗	£24.70	2.92 %	N	N		
- Junior	£49.50	✓	✗	✗	✗	✗	£50.75	2.53 %	N	N		
Treatment room 1 (per month)												
Treatment room 2 (per month)	£0.00	✓	✗	✗	✗	✗	£0.00	no change	N	N		
Learner pool (1 hour) - Central	£0.00	✓	✗	✗	✗	✗	£0.00	no change	N	N		
Learner pool (1 hour) - woodside	£0.00	✓	✗	✗	✗	✗	£0.00	no change	N	N		
Gala Prices												
Swim Clubs (general) incl timing equip	£0.00	✓	✗	✗	✗	✗	£0.00	no change	N	N		
Watford Swim Club / voluntary organisations	£0.00	✓	✗	✗	✗	✗	£0.00	no change	N	N		
Waterpolo	£0.00	✓	✗	✗	✗	✗	£0.00	no change	N	N		

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- LEISURE CENTRES - OPERATED BY SLM (Continued)

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Affected By 2018/19		Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			SAVINGS PROPOSAL	GROWTH PROPOSAL	
Standard rated & incl of VAT if applicable											fees increased inline with leisure contract
Main Hall / Dry Side Activities :-											
Badminton - Adult	£14.60	✓	✗	✗	✗	✗	£15.10	3.42 %	N	N	
- Junior	£7.30	✓	✗	✗	✗	✗	£7.55	3.42 %	N	N	
(8-4 weekdays and 8 - close weekends)	£7.30	✓	✗	✗	✗	✗	£7.55	3.42 %	N	N	
Drop-in Adult (Friday night)	£6.65	✓	✗	✗	✗	✗	£6.85	3.01 %	N	N	
Drop-in Junior	£4.25	✓	✗	✗	✗	✗	£4.40	3.53 %	N	N	
Table Tennis - Adult	£11.95	✓	✗	✗	✗	✗	£12.35	3.35 %	N	N	
Table Tennis - Junior	£6.05	✓	✗	✗	✗	✗	£6.25	3.31 %	N	N	
ATP 5 V 5 a side - Adult	£43.00	✓	✗	✗	✗	✗	£44.40	3.26 %	N	N	
- Junior	£22.00	✓	✗	✗	✗	✗	£22.70	3.18 %	N	N	
Squash - Adult	£11.95	✓	✗	✗	✗	✗	£12.35	3.35 %	N	N	
- Junior	£6.05	✓	✗	✗	✗	✗	£6.25	3.31 %	N	N	
Squash (off peak) - Adult	£6.05	✓	✗	✗	✗	✗	£6.25	3.31 %	N	N	
Squash (off peak) - Junior	£3.50	✓	✗	✗	✗	✗	£3.60	2.86 %	N	N	
Squash League (Monday nights off peak) - Adults	£6.05	✓	✗	✗	✗	✗	£6.25	3.31 %			
Climbing Wall - Adult	£5.35	✓	✗	✗	✗	✗	£5.50	2.80 %	N	N	
Climbing Wall - Junior	£4.20	✓	✗	✗	✗	✗	£4.30	2.38 %	N	N	
Climbing Wall - registration	£5.15	✓	✗	✗	✗	✗	£5.30	2.91 %	N	N	
Parties :-											
Children's Activities											
Creche - 1 hour	£3.20	✓	✗	✗	✗	✗	£3.30	3.12 %	N	N	
- 2 hours	£5.40	✓	✗	✗	✗	✗	£5.60	3.70 %	N	N	
Courses :-											
Sports Course Junior - Dry	£5.75	✓	✗	✗	✗	✗	£6.50	13.04 %	N	N	
Swimming Lessons Junior - Wet	£5.85	✓	✗	✗	✗	✗	£6.50	11.11 %	N	N	
Fitness Activities :-											
Group Exercise (45min and 1 hr)	£6.40	✓	✗	✗	✗	✗	£6.65	3.91 %	N	N	
Group Exercise (30min)	£3.15	✓	✗	✗	✗	✗	£3.25	3.17 %	N	N	
Induction (1:1) - Adult	£25.00	✓	✗	✗	✗	✗	£25.70	2.80 %	N	N	
- Junior	£12.50	✓	✗	✗	✗	✗	£12.80	2.40 %	N	N	
Gym Casual use	£8.35	✓	✗	✗	✗	✗	£8.65	3.59 %	N	N	
60+ Gym	£3.10	✓	✗	✗	✗	✗	£3.15	1.61 %	N	N	
Gym Active teen (11 - 16yrs)	£3.10	✓	✗	✗	✗	✗	£3.15	1.61 %	N	N	
Three Rivers junior gym	£3.05	✓	✗	✗	✗	✗	£3.10	1.64 %	N	N	
GP Referral	£3.55	✓	✗	✗	✗	✗	£3.65	2.82 %	N	N	
Special w/out Groups (eg Parkinsons)	£2.15	✓	✗	✗	✗	✗	£2.20	2.33 %	N	N	
Toning Chairs :-											
1 session	£8.60	✓	✗	✗	✗	✗	£8.80	2.33 %	N	N	
6 sessions	£49.60	✓	✗	✗	✗	✗	£51.00	2.82 %	N	N	
12 sessions	£86.20	✓	✗	✗	✗	✗	£87.50	1.51 %	N	N	
Toning Chairs + special work out	£4.90	✓	✗	✗	✗	✗	£5.00	2.04 %	N	N	
Toning Chairs Induction	£9.60	✓	✗	✗	✗	✗	£9.80	2.08 %	N	N	
Swimming :-											
Adult	£4.40	✓	✗	✗	✗	✗	£4.55	3.41 %	N	N	
Junior	£2.95	✓	✗	✗	✗	✗	£3.05	3.39 %	N	N	
60+	£2.25	✓	✗	✗	✗	✗	£2.30	2.22 %	N	N	
50+	£2.25	✓	✗	✗	✗	✗	£2.30	2.22 %	N	N	
Under 3 (free)	£0.00	✗	✗	✗	✓	✗	£0.00		N	N	
Fun Session - Jr	£3.75	✓	✗	✗	✗	✗	£3.85	2.67 %	N	N	
Three Rivers Junior U19's	£3.05	✓	✗	✗	✗	✗	£3.15	3.28 %	N	N	
Three Rivers 60+		✓	✗	✗	✗	✗			N	N	
Shower /Admission - Adult	£2.20	✓	✗	✗	✗	✗	£2.25	2.27 %	N	N	
- Junior	£1.50	✓	✗	✗	✗	✗	£1.50	NO CHANGE	N	N	
Spectator	£0.00	✓	✗	✗	✗	✗	£0.00	NO CHANGE	N	N	
Sauna	£4.10	✓	✗	✗	✗	✗	£4.25	3.66 %	N	N	
Sauna and Swim	£5.20	✓	✗	✗	✗	✗	£5.40	3.85 %	N	N	
Memberships (direct debits) :-											
Group Exercise - Single	£33.00	✓	✗	✗	✗	✗	£33.00	NO CHANGE	N	N	
- Couple		✓	✗	✗	✗	✗			N	N	
- Annual (single)		✓	✗	✗	✗	✗			N	N	
- Annual (Joint)		✓	✗	✗	✗	✗			N	N	
Total Fitness - Single	£39.50	✓	✗	✗	✗	✗	£39.50	NO CHANGE	N	N	
- Couple	£68.00	✓	✗	✗	✗	✗	£68.00	NO CHANGE	N	N	
- Annual (single)	£395.00	✓	✗	✗	✗	✗	£395.00	NO CHANGE	N	N	
- Annual (Joint)	£680.00	✓	✗	✗	✗	✗	£680.00	NO CHANGE	N	N	
Corporate Single Only - Monthly	£33.00	✓	✗	✗	✗	✗	£33.00	NO CHANGE	N	N	
- Annual	£330.00	✓	✗	✗	✗	✗	£330.00	NO CHANGE	N	N	
Junior Active - Monthly	£13.99	✓	✗	✗	✗	✗	£13.99	NO CHANGE	N	N	
- Annual	£139.90	✓	✗	✗	✗	✗	£139.90	NO CHANGE	N	N	
Total Fit 60+ - Monthly	£27.00	✓	✗	✗	✗	✗	£27.00	NO CHANGE	N	N	
- Annual	£270.00	✓	✗	✗	✗	✗	£270.00	NO CHANGE	N	N	
Total Fitness Joining Fee - Single	£40.00	✓	✗	✗	✗	✗	£40.00	NO CHANGE	N	N	
Splash Fitness (swim) - Monthly	£25.00	✓	✗	✗	✗	✗	£25.00	NO CHANGE	N	N	
- Annual	£250.00	✓	✗	✗	✗	✗	£250.00	NO CHANGE	N	N	
Gym 16-18 - Monthly	£17.99	✓	✗	✗	✗	✗	£17.99	NO CHANGE	N	N	
- Annual	£179.90	✓	✗	✗	✗	✗	£179.90	NO CHANGE	N	N	
Student and Concessions - Monthly	£27.00	✓	✗	✗	✗	✗	£27.00	NO CHANGE	N	N	
- Annual	£270	✓	✗	✗	✗	✗	£270.00	NO CHANGE	N	N	

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- **LEISURE CENTRES - OPERATED BY SLM (Continued)**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Standard rated & incl of VAT if applicable									
Watford Borough Council - Monthly	£27.00	✓	x	x	x	x	£27.00	NO CHANGE	Fees increased inline with leisure contract
- Annual	£270.00	✓	x	x	x	x	£270.00	NO CHANGE	
Watford Harriers - Monthly	£31.00	✓	x	x	x	x	£31.00	NO CHANGE	
- Annual	£310.00	✓	x	x	x	x	£310.00	NO CHANGE	
Pool hire - standard charge :-									
Watford Woodside - Main pool (4 lanes)	£58.00	✓	x	x	x	x	£60.00	3.45 %	
Watford Woodside - Main pool (whole)	£115.00	✓	x	x	x	x	£119.00	3.48 %	
Watford Central - Main pool (3 lanes)	£50.00	✓	x	x	x	x	£51.50	3.00 %	
Watford Central - Main pool (whole)	£100.00	✓	x	x	x	x	£103.00	3.00 %	
Pool hire - Club / School rate :-									
We have agreed to hold Club rates for 2 years									
Watford Woodside - Main pool (4 lanes)	£50.00	✓	x	x	x	x	£51.50	3.00 %	
Watford Woodside - Main pool (whole)	£100.00	✓	x	x	x	x	£103.00	3.00 %	
Watford Central - Main pool (3 lanes)	£44.00	✓	x	x	x	x	£45.35	3.07 %	
Watford Central - Main pool (whole)	£87.00	✓	x	x	x	x	£89.65	3.05 %	

BUDGET POSITION SUMMARY - LEISURE CENTRES

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
DLM000-I0630 - Service Provider	(237,000)	(237,000)	(237,000)	NO CHANGE	Increased management fee payable from 2018/19 - shown seperately in the budget setting report	(237,000)	(237,000)
DLM000-I0630-WJ0079 - Service Provider West Herts College	(56,000)	(56,000)	(56,000)	NO CHANGE		(56,000)	(56,000)
	(293,000)	(293,000)	(293,000)			(293,000)	(293,000)

COMMUNITY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- WASTE SERVICES INCLUDING TRADE WASTE

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope & exclusive of VAT									
TRADE WASTE									
1100L Euro bin									
Container per empty (Schools/Charities)	£10.50	✗	✓	✓	✗	✓	£10.90	3.81 %	
1100L Euro bin hire	£2.00	✗	✓	✓	✗	✓	£2.05	2.50 %	
Container per empty (recycling) (schools)	£9.50	✗	✓	✓	✗	✓	£9.80	3.16 %	
940L Chamberlain bin Container									
Container per empty (Schools/Charities)	£9.50	✗	✓	✓	✗	✓	£9.80	3.16 %	
660L Euro bin container									
Container per empty (Schools/Charities)	£8.50	✗	✓	✓	✗	✓	£8.75	2.94 %	
360L wheeled bins									
Container per empty (Schools/Charities)	£7.20	✗	✓	✓	✗	✓	£7.40	2.78 %	
240L Wheeled bins									
Container per empty (Schools/Charities)	£6.00	✗	✓	✓	✗	✓	£6.20	3.33 %	
ADDITIONAL DOMESTIC COLLECTION SCENARIO									
1100L Euro bin									
Container per empty	£10.50	✗	✓	✓	✗	✓	£10.80	2.86 %	
660L Euro bin container									
Container per empty	£8.50	✗	✓	✓	✗	✓	£8.75	2.94 %	
240L Wheeled bins									
Container per empty	£6.00	✗	✓	✓	✗	✓	£6.20	3.33 %	
DOMESTIC WASTE									
Delivery of recycling boxes and wheeled bins	£5.50	✗	✗	✓	✗	✗	£5.65	2.73 %	
DOMESTIC SACKS									
Excess Waste Sack	£2.50	✗	✓	✗	✗	✗	£2.60	4.00 %	
Nappy Sack	£0.50	✗	✓	✗	✗	✗	£0.55	10.00 %	

Per additional bin	£35.00	✗	✓	✗	✗	✗	£35.00	NO CHANGE	
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CHARGES TO DEVELOPERS FOR WASTE CONTAINERS

Description	Actual 2016/17	Original Budget 2017/18	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	COMMENTS
WASTE BINS FOR NEW DEVELOPMENTS					
Euro 660 litre residual bin	0	£265.00	£270.00	2	
Euro 1100 litre residual bin	0	£295.00	£295.00	NO CHANGE	
Euro 1100 litre recycling bin	0	£0	£110.00		New charge for recycling provision if over standard smaller bins
Euro 660 and 1100 litre bins	0	£85.00	£87.50	3	charge encourages buy in from agents to ensure their residents recycle correctly
240 litre bin	0	£65.00	£66.00	2	

*New lines for charging

BUDGET POSITION SUMMARY - WASTE SERVICES INCLUDING TRADE WASTE

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
SALES							
KMG000-I0113 - Sales of Paper	(1,200)	(1,200)	0	0		0	0
KMH000-I0706 - Green Bin Charges	(30,000)	0	(38,000)	27		(39,000)	(39,000)
FEES & CHARGES							
KMD000-I0531 WJ0371 - Fees - Trade Refuse	(1,790)	(1,820)	(1,900)	6		(1,900)	(2,000)
KME000-I0537 WJ0082 - Misc Fees & Charges (TRDC)	(8,200)	(8,350)	(8,400)	2		(8,400)	(8,400)
KMG000-I0538 - Recycling Textiles	(5,000)	(5,000)	(5,500)	10		(5,500)	(5,500)
KMH000-I0537 WJ0082 - Misc Fees & Charges (TRDC)	(8,300)	(8,600)	(8,400)	1		(8,400)	(8,400)
	(54,490)	(24,970)	(62,200)			(63,200)	(63,300)

COMMUNITY SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
SPECIAL COLLECTIONS & STREET CLEANSING**

Prices quoted below are exclusive of VAT

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Where Commercial Special Collections are made, the charge would be subject to VAT at the Standard rate.									
Where Household Special Collections are made, the charge would be Outside Scope for VAT purposes.									
SPECIAL COLLECTIONS									
Up to four bulky Items *									
Up to 3 bulky items	£29.00	x	x	✓	x	x	£29.00	NO CHANGE	Prices to remain the same to encourage use of the service and discourage fly tipping
Each additional bulky item :-									
White Goods	£29.00	x	x	✓	x	x	£29.00	NO CHANGE	
Other bulky/garden clearance collections and disposal minimum charge	£73.50	x	x	✓	x	x	£73.50	NO CHANGE	
Hazardous Waste*									
(TV/Electrical)	£31.50	x	x	✓	x	x	£31.50	NO CHANGE	
ABANDONED SHOPPING TROLLEY (Non prescribed statutory charges) (Outside Scope for VAT)									
Seizure									
From highway & open spaces - per trolley	£32.80	✓	✓	x	x	✓	£33.80	3.05 %	
From river/riverside areas - per trolley	£44.60	✓	✓	x	x	✓	£45.95	3.03 %	
From private land - per trolley	£50.75	✓	✓	x	x	✓	£52.25	2.96 %	
Storage									
Trolleys not collected within the statutory 6 week disposal notice period - per trolley	£7.20	✓	✓	x	x	✓	£7.40	2.78 %	
ABANDONED SHOPPING TROLLEY (Non statutory charges) (Standard Rated for VAT)									
Requested return delivery charge - per trolley	Quotation	✓	✓	x	x	x	Quotation	NO CHANGE	
GRAFFITI & FLY POSTER REMOVAL (Statutory Duty - Outside Scope for VAT) (Non Statutory Duty - Standard Rated for VAT)									
GRAFFITI REMOVAL									
Removal from private Property up to 2 sqm	£34.35	✓	✓	x	✓	x	£35.40	3.06 %	
Removal from private Property additional sqm's	£16.90	✓	✓	x	✓	x	£17.50	3.55 %	
Removal - any type affixed 2.4 m above ground level	quotation	✓	✓	x	✓	x	quotation	NO CHANGE	
FLYPOSTER REMOVAL									
Removal - minimum each - tied or clamped on	£22.05	✓	✓	x	✓	x	£22.70	2.95 %	
Removal - minimum each - glued on/self adhering	£39.45	✓	✓	x	✓	x	£40.60	2.92 %	
Removal - any type affixed 2.4 m above ground level	quotation	✓	✓	x	✓	x	quotation	NO CHANGE	

BUDGET POSITION SUMMARY - SPECIAL COLLECTIONS & STREET CLEANSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
KMF000-I0532 - Fees - Bulky Domestic	(79,640)	(43,280)	(43,280)	(46)	Budget set too high - double counted	(43,930)	(43,930)
KSC000-I0537 - Miscellaneous Fees & Charges - WJ0082 (TRDC)	(6,200)	(6,350)	(7,200)	16		(7,200)	(7,200)
	(85,840)	(49,630)	(50,480)			(51,130)	(51,130)

COMMUNITY & CUSTOMER SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
ARTS, EVENTS & HERITAGE**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Exempt from VAT									
Workshops	£8.00	x	✓	x	x	x	£8.00	NO CHANGE	
Ghost walks	£8.00	x	✓	x	x	x	£8.00	NO CHANGE	
High street trail	£4.50	x	✓	x	x	x	£4.50	NO CHANGE	
Study day	£12.00	x	✓	x	x	x	£15.00	25.00 %	
Group talk or trail	£4.50	x	✓	x	x	x	£4.50	NO CHANGE	
Community use of one space (per hour) days	£17.00	x	✓	x	x	x	£18.00	5.88 %	
Community use of one space (per hour) eve *	£32.00	x	✓	x	x	x	£33.00	3.13 %	
Community use of one space (per hour) Sun *	£40.00	x	✓	x	x	x	£42.00	5.00 %	
Private/commercial (per hour) days	£40.00	✓	x	x	x	x	£42.00	5.00 %	
Private/commercial (per hour) eve *	£50.00	✓	x	x	x	x	£52.00	4.00 %	
Private/commercial (per hour) Sun *	£80.00	✓	x	x	x	x	£82.00	2.50 %	
* Additional charge for staff time applicable (charged @ £30 per hour x 2 staff)									
Standard rated & inclusive of VAT									
Percentage share to Museum on artist sales	32.00%	✓	x	x	x	x	33%	3.13 %	
Percentage share to Museum on foyer sales	12.00%	✓	x	x	x	x	12%	NO CHANGE	
Photocopying per sheet	£0.15	x	✓	x	x	x	£0.20	33.33 %	
Museum digitised images (per image)	£5.75	x	✓	x	x	x	£6.00	4.35 %	
Museum digitised images CD charge	£3.75	x	✓	x	x	x	£4.00	6.67 %	
Museum un digitised images incurring an hourly scanning rate	£15.75	x	✓	x	x	x	£17.00	7.94 %	
Reproduction image one country one language (non commercial)	£30.00	✓	x	x	x	x	£32.00	6.67 %	
Reproduction Image world right inc web (non commercial)	£40.00	✓	x	x	x	x	£42.00	5.00 %	
Reproduction image one country one language (commercial)	£60.00	✓	x	x	x	x	£62.00	3.33 %	
Reproduction image world right inc web (commercial)	£80.00	✓	x	x	x	x	£82.00	2.50 %	
Where the filming company is given exclusive rights to a defined area and they can exclude others from access, the income is 'Exempt' from VAT. This is subject to an 'option to tax' not being in force. Admin fees for VAT purposes would follow the same treatment as the main supply.									
Where the filming company is given no exclusivity and cannot exclude others from access, the income is treated as 'Standard rated'. Admin fees for VAT purposes would follow the same treatment as the main supply.									
Admin Fee	£130.00	✓	x	x	x	x	£140.00	7.69 %	
Up to 1 Hour	£275.00	✓	x	x	x	x	£280.00	1.82 %	
1- 4 Hours	£600.00	✓	x	x	x	x	£615.00	2.50 %	
4-6 Hours	£900.00	✓	x	x	x	x	£915.00	1.67 %	
6 Hours and over (Whole Day)	£1,300.00	✓	x	x	x	x	£1,400.00	7.69 %	
Use of KGV Car Park	£700.00	✓	x	x	x	x	£700.00	NO CHANGE	

BUDGET POSITION SUMMARY - ARTS, EVENTS & HERITAGE

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
SALES							
DEA000-I0101 - Miscellaneous Sales	(3,000)	(2,000)	(3,000)	NO CHANGE		(3,000)	(3,000)
DEA000-I0118 - Sales Exhibitions	(900)	(800)	(950)	6		(1,500)	(1,500)
DEA000-I0118 WJ0146 - Exhibition Donations	(1,000)	(800)	(1,000)	NO CHANGE		(1,000)	(1,000)
FEES & CHARGES							
DDI000-I0661 - WJ0332 - Catering & Food Vendors	(2,500)	(2,750)	(2,750)	10		(3,000)	(3,000)
DDI000-I0697 - Filming Income	(11,500)	(11,750)	(11,750)	2		(12,000)	(12,000)
	(18,900)	(18,100)	(19,450)			(20,500)	(20,500)

COMMUNITY & CUSTOMER SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- ENVIRONMENTAL HEALTH & LICENSING	
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Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
Taxi & Private Hire Vehicle Licences									
Annual Vehicle Licence - Initial Application	£235.00	x	✓	x	x	x	£235.00	NO CHANGE	Was not previously cost recovery In line with annual application as work is same amount.
Annual Vehicle Licence - Initial Application (wholly electric vehicles)	£117.50	x	x	✓	x	x	£117.50	NO CHANGE	
Annual Vehicle Licence - Initial Application (Limousines)	£225.00	x	✓	x	x	x	£235.00		
Annual Vehicle Licence - Initial Application (Courtesy vehicles)	£225.00	x	✓	x	x	x	£235.00		
Annual Vehicle Licence - Renewal	£225.00	x	✓	x	x	x	£225.00		
Annual Vehicle Licence - Renewal (wholly electric vehicles)	£112.50	x	x	✓	x	x	£112.50		
Transfer of vehicle ownership (payable by buyer)	£17.50	x	✓	x	x	x	£17.50	NO CHANGE	
Taximeter tests	£17.50	x	✓	x	x	x	£17.50	NO CHANGE	
Replacement vehicle plates	£21.00	x	✓	x	x	x	£21.00	NO CHANGE	
Optional plate fitting brackets	£21.00	x	✓	x	x	x	£21.00	NO CHANGE	
Compulsory door signs for hackney carriages (vinyl, per pair)	£10.50	x	✓	x	x	x	£10.50	NO CHANGE	
Compulsory door signs for hackney carriages (magnetic, per pair)	£19.50	x	✓	x	x	x	£19.50		
Advertising approval on hackney carriages (agency)	£150.00	x	✓	x	x	x	£150.00	NO CHANGE	
Advertising approval per hackney carriage	£50.00	x	✓	x	x	x	£50.00	NO CHANGE	
Advertising approval (Licensing Committee referral)	£250.00	x	✓	x	x	x	£250.00	NO CHANGE	
Private Hire Operators - initial application (5 yrs)	£771.00	x	✓	x	x	x	£771.00	NO CHANGE	
Private Hire Operators - renewal (5 yrs)	£769.00	x	✓	x	x	x	£769.00	NO CHANGE	
Driver Licences - initial application (3 yrs)	£329.00	x	✓	x	x	x	£329.00	NO CHANGE	
Driver Licences - renewal application (3 yrs)	325	x	✓	x	x	x	£325.00		
Theory Knowledge Test	£97.00	x	✓	x	x	x	£99.00	2.06 %	
Repeat Knowledge Test with Training	£67.00	x	✓	x	x	x	£68.50	2.24 %	
Repeat Knowledge Test (Test Only)	£30.00	x	✓	x	x	x	£30.75	2.50 %	
Replacement drivers badges	£17.50	x	✓	x	x	x	£17.75	1.43 %	
Duplicate documents	£17.50	x	✓	x	x	x	£17.75	1.43 %	
Driver change of address	£0.00						£7.00	100.00 %	cost recovery
Street Trading									
Street Trading Consent (per annum)	£462.00	x	✓	x	x	x	£473.00	2.38 %	
Street Trading Consent (per annum) - Vicarage Road	£462.00	x	✓	x	x	x	£473.00	2.38 %	
Street Trading Consent daily rate (if less than one year)	£21.00	x	✓	x	x	x	£21.50	2.38 %	
Street Trading Consent (Town Centre Markets per stall per day, waived for charitable etc stalls)	£21.00	x	✓	x	x	x	£21.50	2.38 %	
Permit for Tables & Chairs on the Highway									
Initial application (1 year permit)	£367.00	x	✓	x	x	x	£376.00	2.45 %	
Renewal of annual permit	£100.00	x	✓	x	x	x	£102.50	2.50 %	
Free Printed Matter Distribution									
First distributor	£50.00	x	✓	x	x	x	£51.25	2.50 %	
Each additional distributor	£30.00	x	✓	x	x	x	£30.75	2.50 %	
Additional fee for each distributor between 1700 and 0900	£20.00	x	✓	x	x	x	£20.50	2.50 %	

BUDGET POSITION SUMMARY - ENVIRONMENTAL HEALTH & LICENSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
SALES							
EGA000-I0101 - Miscellaneous Sales	(2,000)	(2,000)	(3,000)	50		(3,000)	(3,000)
FEES & CHARGES							
EGA000-I0541 - Drivers' Licences (Private Hire)	(3,000)	(5,821)	(8,000)	167		(10,000)	(10,000)
EGA000-I0542 - Vehicle Licences (Private Hire)	(37,000)	(37,000)	(37,000)	NO CHANGE		(40,000)	(40,000)
EGA000-I0543 - Operator Licences (Private Hire)	(2,000)	(3,147)	(2,000)	NO CHANGE		(2,000)	(2,000)
EGA000-I0545 - Drivers' Licences (Hackney Carriage)	(34,000)	(48,000)	(66,000)	94	3 yearly licence so budgets vary	(56,000)	(32,000)
EGA000-I0546 - Vehicle Licences (Hackney Carriage)	(65,000)	(65,023)	(65,000)	NO CHANGE		(65,000)	(65,000)
EGA000-I0548 - Fees - Drivers' Tests	(6,000)	(6,000)	(6,000)	NO CHANGE		(6,000)	(6,000)
EGA000-I0549 - Fees - Record Transfers	(500)	(500)	(500)	NO CHANGE		(500)	(500)
	(149,500)	(167,491)	(187,500)			(182,500)	(158,500)

COMMUNITY & CUSTOMER SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
ENVIRONMENTAL HEALTH & LICENSING (continued)**

Prices quoted below are exclusive of VAT

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
Sex Establishment Licence									
Grant of Licence	£504.00	x	✓	x	x	x	£516.00	2.38 %	
Annual renewal fee	£126.00	x	✓	x	x	x	£129.00	2.38 %	
Sexual Entertainment Venue Licence									
Application for grant of licence	£599.00	x	✓	x	x	x	£614.00	2.50 %	
Renewal of licence	£221.00	x	✓	x	x	x	£226.00	2.26 %	
Major variations (at officer's discretion)	£485.00	x	✓	x	x	x	£497.00	2.47 %	
Minor variations (at officer's discretion)	£107.00	x	✓	x	x	x	£109.50	2.34 %	
Skin Piercing									
Operator (each)	£50.00	x	✓	x	x	x	£51.25	2.50 %	
Premises	£160.00	x	✓	x	x	x	£164.00	2.50 %	
Special Shop & Other Animal Licences (excl Veterinary fees)									
Pet Shops	£196.95	x	✓	x	x	x	£201.50	2.31 %	
Pet Shops Renewal	£98.48	x	✓	x	x	x	£100.75	2.31 %	
Dangerous Wild Animals	£200.00	x	✓	x	x	x	£205.00	2.50 %	
Zoo Licence	£196.95	x	✓	x	x	x	£201.75	2.44 %	
Animal Boarding / Breeding Establishment annual registration (exc. Home boarding)									
Initial home Boarding registration	£196.95	x	✓	x	x	x	£201.75	2.44 %	
Annual re-registration	£150.00	x	✓	x	x	x	£153.75	2.50 %	
Annual re-registration	£98.48	x	✓	x	x	x	£100.75	2.31 %	
Annual re-registration (home boarding)	£75.00	x	✓	x	x	x	£76.75	2.33 %	
Scrap metal Dealers									
Grant of Licence	£245.48	x	✓	x	x	x	£245.48	NO CHANGE	
Renewal of Licence	£191.50	x	✓	x	x	x	£191.50	NO CHANGE	
Variation of Licence	£51.00	x	✓	x	x	x	£51.00	NO CHANGE	
Change of Name	£51.00	x	✓	x	x	x	£51.00	NO CHANGE	
Change of Site	£51.00	x	✓	x	x	x	£51.00	NO CHANGE	
A request for a CRB check would be subject to VAT at the Standard rate.									
A request for a CRB check which forms part of a Licence application would be Outside Scope for VAT purposes.									
CRB checks									
Criminal Records Bureau check for selected licences	£44.00	x	x	x	x	✓	£44.00	NO CHANGE	
Fee charged by processing company.	£8.00	x	✓	x	x	x	£8.00	NO CHANGE	

BUDGET POSITION SUMMARY - ENVIRONMENTAL HEALTH & LICENSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
EBL000-I0559 - Motor Salvage Operator	(1,000)	(1,000)	0	0	no renewals due	0	0
ECE000-I0578 - Skin Piercing / Tattooing	(550)	(500)	(800)	45		(800)	(800)
ECJ000-I0502 - Training Course Fees	(4,000)	(4,000)	(5,000)	25		(5,000)	(5,000)
ECJ000-I0689 - Food Certificates	(6,000)	(6,000)	(12,000)	100		(12,000)	(12,000)
EGA000-I0551 - Fees-Criminal Records Bureau	(6,500)	(6,500)	(6,500)	NO CHANGE		(6,500)	(6,500)
EGD000-I0558-WJ0108 - Fees - Street Trading - Pavement	(3,000)	(3,000)	(3,000)	NO CHANGE		(3,000)	(3,000)
EGE000-I0556 - Other Licences (incl Sex Establishment)	(350)	(350)	(350)	NO CHANGE		(350)	(350)
	(21,400)	(21,350)	(27,650)			(27,650)	(27,650)

COMMUNITY & CUSTOMER SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
ENVIRONMENTAL HEALTH & LICENSING (continued)**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
<u>GAMBLING ACT 2005</u>									
<u>New applications</u>									
Bingo	£843.00	x	✓	x	x	x	£864.00	2.49 %	
Betting (off-course)	£843.00	x	✓	x	x	x	£864.00	2.49 %	
Betting (track)	£843.00	x	✓	x	x	x	£864.00	2.49 %	
Adult Gaming Centre	£843.00	x	✓	x	x	x	£864.00	2.49 %	
Family Entertainment Centre	£843.00	x	✓	x	x	x	£864.00	2.49 %	
Family Entertainment Centre with permit	£315.00	x	✓	x	x	x	£320.00	1.59 %	
Licensed Premises Gaming Machine Notification	£50.00	x	x	x	x	✓	£50.00	NO CHANGE	
Licensed Premises Gaming Machine Notification permit	£100.00	x	x	x	x	✓	£100.00	NO CHANGE	
Club Gaming Permit	£100.00	x	x	x	x	✓	£100.00	NO CHANGE	
Club Gaming Machine Permit	£100.00	x	x	x	x	✓	£100.00	NO CHANGE	
Small society lottery	£40.00	x	x	x	x	✓	£40.00	NO CHANGE	
Prize Gaming Permit	£100.00	x	x	x	x	✓	£100.00	NO CHANGE	
<u>Miscellaneous fees</u>									
Duplicate licences	£25.00	x	✓	x	x	x	£25.00	NO CHANGE	
Change of circumstances	£50.00	x	✓	x	x	x	£50.00	NO CHANGE	
Provisional statements	£803.00	x	✓	x	x	x	£803.00	NO CHANGE	
Transfer of licence re-instatement of licence	£843.00	x	✓	x	x	x	£864.00	2.49 %	
Variation of licence	£843.00	x	✓	x	x	x	£864.00	2.49 %	
Change of name of prize gaming or entertainment centre permit	£25.00	x	x	x	x	✓	£25.00	NO CHANGE	
copy of prize gaming or family entertainment permit	£25.00	x	x	x	x	✓	£25.00	NO CHANGE	

COMMUNITY & CUSTOMER SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-
ENVIRONMENTAL HEALTH & LICENSING (continued)

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
<u>GAMBLING ACT 2005</u>									
<u>Annual Fee</u>									
Bingo	£1,000.00	x	✓	x	x	x	£1,025.00	2.50 %	
Betting (off-course)	£453.00	x	✓	x	x	x	£464.00	2.43 %	
Betting (track)	£1,000.00	x	✓	x	x	x	£1,025.00	2.50 %	
Adult Gaming Centre	£1,000.00	x	✓	x	x	x	£1,025.00	2.50 %	
Family Entertainment Centre	£750.00	x	✓	x	x	x	£768.00	2.40 %	
Family Entertainment Centre with permit	£300.00	x	✓	x	x	x	£307.50	2.50 %	
Licensed Premises Gaming Machine Notification	£50.00	x	x	x	x	✓	£50.00	NO CHANGE	
Licensed Premises Gaming Machine permit	£50.00	x	x	x	x	✓	£50.00	NO CHANGE	
Club Gaming Permit	£50.00	x	x	x	x	✓	£50.00	NO CHANGE	
Club Gaming Machine Permit	£50.00	x	x	x	x	✓	£50.00	NO CHANGE	
Small society lottery	£20.00	x	x	x	x	✓	£20.00	NO CHANGE	
Prize Gaming Permit	£300.00	x	x	x	x	✓	£300.00	NO CHANGE	
<u>Licensing Act 2003</u>									
<u>(Statutory fees)</u>									
<u>Premises Licence/Club Premises Application fees</u>									
Rateable value £0-4300	£100.00	x	x	x	x	✓	£100.00	NO CHANGE	
Rateable value £ 4301 - £33,000	£190.00	x	x	x	x	✓	£190.00	NO CHANGE	
Rateable value £ 33,001 - £ 87,000	£315.00	x	x	x	x	✓	£315.00	NO CHANGE	
Rateable value £87001 - £125,000	£450.00	x	x	x	x	✓	£450.00	NO CHANGE	
Rateable value £125,001 and above	£635.00	x	x	x	x	✓	£635.00	NO CHANGE	
<u>Premises Licence/Club Premises Annual Fees</u>									
Rateable value £0- £4300	£70.00	x	x	x	x	✓	£70.00	NO CHANGE	
Rateable value £ 4301 - £33,000	£180.00	x	x	x	x	✓	£180.00	NO CHANGE	
Rateable value £ 33,001 - £ 87,000	£295.00	x	x	x	x	✓	£295.00	NO CHANGE	
Rateable value £87001 - £125,000	£320.00	x	x	x	x	✓	£320.00	NO CHANGE	
Rateable value £125,001 and above	£350.00	x	x	x	x	✓	£350.00	NO CHANGE	
Replacement licence	£10.50	x	x	x	x	✓	£10.50	NO CHANGE	
Application for provisional licence	£315.00	x	x	x	x	✓	£315.00	NO CHANGE	
Change of licence details (name or address)	£10.50	x	x	x	x	✓	£10.50	NO CHANGE	
Variation of designated premises supervisor	£23.00	x	x	x	x	✓	£23.00	NO CHANGE	
Transfer of premises licence	£23.00	x	x	x	x	✓	£23.00	NO CHANGE	
Interim authority notice	£23.00	x	x	x	x	✓	£23.00	NO CHANGE	
Variation of designated premises supervisor	£23.00	x	x	x	x	✓	£23.00	NO CHANGE	
Variation of premises	£315.00	x	x	x	x	✓	£315.00	NO CHANGE	
Minor variation of premises	£89.00	x	x	x	x	✓	£89.00	NO CHANGE	
Notification of change of name or club rules	£10.50	x	x	x	x	✓	£10.50	NO CHANGE	
Change of relevant registered address of club	£10.50	x	x	x	x	✓	£10.50	NO CHANGE	
Temporary event notice	£21.00	x	x	x	x	✓	£21.00	NO CHANGE	
Replacement temporary event notice	£10.50	x	x	x	x	✓	£10.50	NO CHANGE	
Application for personal licence	£37.00	x	x	x	x	✓	£37.00	NO CHANGE	
Replacement personal licence	£10.50	x	x	x	x	✓	£10.50	NO CHANGE	
Notification of change of name etc for personal licence	£10.50	x	x	x	x	✓	£10.50	NO CHANGE	
Entry on freeholder register	£21.00	x	x	x	x	✓	£21.00	NO CHANGE	

BUDGET POSITION SUMMARY - ENVIRONMENTAL HEALTH & LICENSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
EGB000-I0533 - WJ 0091 Fees - Special Commercial - PLAF	(3,680)	(3,680)	0	0		0	0
EGB000-I0533 - WJ 0098 Fees - Special Commercial - PLA	(500)	(500)	(500)	NO CHANGE		(500)	(500)
EGB000-I0553 WJ0090 - LA 2003 Prem Lic App Fee	(2,500)	(2,500)	(2,000)	(20)		(2,000)	(2,000)
EGB000-I0553 WJ0091 - LA 2003 Prem Lic Annual Fee	(72,000)	(72,000)	(74,000)	3		(74,000)	(74,000)
EGB000-I0553 WJ0092 - LA 2003 Prem Lic Var Fee	(4,000)	(4,000)	(3,000)	(25)		(3,000)	(3,000)
EGB000-I0553 WJ0093 - LA 2003 Prem Lic Misc Fee	(500)	(500)	(500)	NO CHANGE		(500)	(500)
EGB000-I0553 WJ0095 - LA 2003 Club Cert Annual Fee	(2,880)	(2,880)	(3,060)	6		(3,060)	(3,060)
EGB000-I0553 WJ0098 - LA 2003 Personal Licences App Fee	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
EGB000-I0553 WJ0099 - LA 2003 Personal Licences Misc Fee	(300)	(300)	(300)	NO CHANGE		(300)	(300)
EGB000-I0553 WJ0100 - LA 2003 Temp Event Notices App Fee	(4,500)	(4,500)	(4,500)	NO CHANGE		(4,500)	(4,500)
EGC000-I0552 - GA 2005 Registration Fees	(1,200)	(1,200)	(1,500)	25		(1,500)	(1,500)
EGC000-I0554 - Fees - Amusement Machines	(850)	(850)	(750)	(12)		(750)	(750)
EGC000-I0557 WJ0102 - GA 2005 Adult Gaming Centres	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
EGC000-I0557 WJ0103 - GA 2005 Betting Shops	(8,600)	(8,600)	(7,700)	(10)		(7,700)	(7,700)
EGC000-I0557 WJ0104 - GA 2005 Clubs	(600)	(600)	(600)	NO CHANGE		(600)	(600)
EGC000-I0557 WJ0106 - GA 2005 Bingo	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
	(105,110)	(105,110)	(101,410)			(101,410)	(101,410)

COMMUNITY & CUSTOMER SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-
ENVIRONMENTAL HEALTH & LICENSING (continued)

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Standard rated & inclusive of VAT									
Pest Control									
Note commercial treatments quoted individually on request									
Pest control treatment for residential properties :-									
NOTE : Fees are inclusive of VAT									
Rats & Mice									
NOTE : Fees are inclusive of VAT									
Rats (max 3 visits)	£60.00	x	x	✓	x	x	£61.50	2.50 %	Can be paid monthly Can be paid monthly
Rats Concession (max 3 visits)	£15.00	x	x	✓	x	x	£15.50	3.33 %	
Rats (repeat visits - not following advice) (max 3 visits)	£100.00	x	x	✓	x	x	£102.50	2.50 %	
Rats (repeat visits, not following advice)(Concession) (max 3 visits)	£30.00	x	x	✓	x	x	£31.00	3.33 %	
Rats HMO (max 3 visits)	£150.00	x	x	✓	x	x	£154.00	2.67 %	
Mice(inside) (max 3 visits)	£60.00	x	x	✓	x	x	£61.50	2.50 %	
Mice(inside) Concession (max 3 visits)	£15.00	x	x	✓	x	x	£15.50	3.33 %	
Mice(inside) (repeat visits - not following advice) (max 3 visits)	£100.00	x	x	✓	x	x	£102.50	2.50 %	
Mice(inside) (repeat visits, not following advice)(Concession) (max 3 visits)	£30.00	x	x	✓	x	x	£31.00	3.33 %	
Mice(inside) HMO (max 3 visits)	£150.00	x	x	✓	x	x	£154.00	2.67 %	
Wasps/Honets Nests									
Single nest	£50.00	x	✓	x	x	x	£51.50	3.00 %	
Single nest concession	£25.00	x	x	✓	x	x	£26.00	4.00 %	
Each additional nest treated at the same time	£15.00	x	✓	x	x	x	£15.50	3.33 %	
Each additional nest treated at the same time concession	£7.50	x	x	✓	x	x	£8.00	6.67 %	
Fleas									
Fleas - Single family home (per visit)	£85.00	x	x	✓	x	x	£87.00	2.35 %	
Concessionary Rate	£22.50	x	x	✓	x	x	£23.00	2.22 %	
Fleas - per visit HMO	£200.00	x	✓	x	x	x	£205.00	2.50 %	
Cockroaches									
Cockroaches	£80.00	x	✓	x	x	x	£82.00	2.50 %	
Cockroaches Concession	£40.00	x	x	✓	x	x	£41.00	2.50 %	
Cockroaches HMO	£180.00	x	✓	x	x	x	£184.50	2.50 %	
Bedbugs									
Bed bugs	£100.00	x	✓	x	x	x	£102.50	2.50 %	
Bed Bugs Concession	£40.00	x	x	✓	x	x	£41.00	2.50 %	
Bed bugs HMO	£200.00	x	✓	x	x	x	£205.00	2.50 %	
Squirrels(internal only, 3 visits)	£150	x	✓	x	x	x	£154.00	2.67 %	
Glis Glis									
Annual charge				✓			£400.00	New service	
Annual charge concession				✓			£75.00	New service	
Initial visit and collection of traps			✓				£100.00	New service	
visit to clear and reset traps			✓				£37.50	New service	
Initial visit and collection of traps Concession				✓			£25.00	New service	
visit to clear and reset traps Concession				✓			£5.00	New service	
Ants (pharaoh only)									
Ants	£100.00	x	✓	x	x	x	£102.50	2.50 %	
Ants concession	£50.00	x	✓	x	x	x	£51.25	2.50 %	
Other insects (Inside)									
Other insects (Inside)	£100.00	x	✓	x	x	x	£102.50	2.50 %	
Other insects (Inside) Concession	£50.00	x	✓	x	x	x	£51.25	2.50 %	

BUDGET POSITION SUMMARY - ENVIRONMENTAL HEALTH & LICENSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
EFG000-I0562 - Wasps Nests	(8,500)	(8,500)	(8,500)	NO CHANGE		(8,500)	(8,500)
EFG000-I0563 - Pest Control Contracts	(3,200)	(3,200)	(6,400)	100		(6,400)	(6,400)
EFG000-I0565 - Other Pests	(7,590)	(7,590)	(4,500)	(41)		(4,500)	(4,500)
EFG000-I0566 - Animal Fleas	(500)	(500)	(500)	NO CHANGE		(500)	(500)
EFG000-I0567 - Rats & Mice	(16,500)	(16,500)	(10,000)	(39)	after yr 1 of new treatment fees	(10,000)	(10,000)
	(36,290)	(36,290)	(29,900)			(29,900)	(29,900)

COMMUNITY & CUSTOMER SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- ENVIRONMENTAL HEALTH & LICENSING (continued)

Prices quoted below are exclusive of VAT

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Where an agreement is in place , the charge would be subject to VAT at the Standard rate.									
Where an agreement is NOT in place , the charge would be Outside Scope for VAT purposes.									
STRAY DOGS									
Stray dogs fine (set by statute)	£25.00	x	x	x	x	✓	£25.00	NO CHANGE	
1st Day Kennelling charge & administration	£76.50	x	x	x	x	x	£78.50	2.61 %	
Concessionary rate	£38.25	x	x	✓	x	x	£39.50	3.27 %	
Additional daily Kennel Charges	£10.50	x	x	✓	x	x	£11.00	4.76 %	
Concessionary rate	£5.10	x	x	✓	x	x	£5.50	7.84 %	
									To reflect the additional cost incurred under

BUDGET POSITION SUMMARY - ENVIRONMENTAL HEALTH & LICENSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
EFC000-I0555 - Pet/Dog Breeding/Game Dealers	(200)	(200)	(300)	50		(300)	(300)
EFC000-I0568 - Income from Kennelling	(2,000)	(2,000)	(2,000)	NO CHANGE		(2,000)	(2,000)
	(2,200)	(2,200)	(2,300)			(2,300)	(2,300)

COMMUNITY & CUSTOMER SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- ENVIRONMENTAL ABANDONED VEHICLES

Prices quoted below are exclusive of VAT

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
ABANDONED VEHICLES (Statutory Charges) (On Road - Outside Scope for VAT) (Off Road E.G. Private Land - Standard Rated)									
Removal of vehicle on road not substantially damaged, or 2 wheeled vehicle on or off road									
equal to or less than 3.5 tonnes	£150.00	x	x	x	x	✓	£150.00	NO CHANGE	Set by Statute
exceeding 3.5 tonnes but less than 7.5 tonnes	£200.00	x	x	x	x	✓	£200.00	NO CHANGE	Set by Statute
exceeding 7.5 tonnes	£350.00	x	x	x	x	✓	£350.00	NO CHANGE	Set by Statute
Removal of vehicle on road substantially damaged excluding 2 wheeled vehicle									
equal to or less than 3.5 tonnes	£250.00	x	x	x	x	✓	£250.00	NO CHANGE	Set by Statute
exceeding 3.5 tonnes but less than 7.5 tonnes	£650.00	x	x	x	x	✓	£650.00	NO CHANGE	Set by Statute
exceeding 7.5 tonnes *	£2,000.00	x	x	x	x	✓	£2,000.00	NO CHANGE	Set by Statute
Removal of vehicle off road not substantially damaged excluding 2 wheeled vehicle									
equal to or less than 3.5 tonnes	£200.00	x	x	x	x	✓	£200.00	NO CHANGE	Set by Statute
exceeding 3.5 tonnes but less than 7.5 tonnes	£400.00	x	x	x	x	✓	£400.00	NO CHANGE	Set by Statute
exceeding 7.5 tonnes*	£1,000.00	x	x	x	x	✓	£1,000.00	NO CHANGE	Set by Statute
Removal of vehicle off road substantially damaged excluding 2 wheeled vehicle									
equal to or less than 3.5 tonnes	£300.00	x	x	x	x	✓	£300.00	NO CHANGE	Set by Statute
exceeding 3.5 tonnes but less than 7.5 tonnes	£850.00	x	x	x	x	✓	£850.00	NO CHANGE	Set by Statute
exceeding 7.5 tonnes *	£3,000.00	x	x	x	x	✓	£3,000.00	NO CHANGE	Set by Statute
Storage charge per day									
equal to or less than 3.5 tonnes	£20.00	x	x	x	x	✓	£20.00	NO CHANGE	Set by Statute
exceeding 3.5 tonnes but less than 7.5 tonnes	£25.00	x	x	x	x	✓	£25.00	NO CHANGE	Set by Statute
exceeding 7.5 tonnes	£30.00	x	x	x	x	✓	£30.00	NO CHANGE	Set by Statute
Destruction / disposal									
equal to or less than 3.5 tonnes	£75.00	x	x	x	x	✓	£75.00	NO CHANGE	Set by Statute
exceeding 3.5 tonnes but less than 7.5 tonnes	£100.00	x	x	x	x	✓	£100.00	NO CHANGE	Set by Statute
exceeding 7.5 tonnes unladen	£125.00	x	x	x	x	✓	£125.00	NO CHANGE	Set by Statute
Note: Additional removal charges apply where non standard measures are required to seize and transport vehicles from and across private land to the nearest highway									
*unladen weight only									
ABANDONED VEHICLES (Non Statutory Charges) (On Road - Outside Scope for VAT) (Off Road E.G. Private Land - Standard Rated)									
Return of seized vehicle - cost per mile									
equal to or less than 3.5 tonnes	£2.40	✓	x	x	x	x	£2.40	NO CHANGE	
exceeding 3.5 tonnes less than 7.5 tonnes	£4.45	✓	x	x	x	x	£4.45	NO CHANGE	
equal to or exceeding 7.5 tonnes	Quotation	✓	x	x	x	x	Quotation	NO CHANGE	
Private Land									
Administration Cost to organise AV removal on Private Land.	£60.00	x	✓	x	x	x	£100.00	66.67 %	Fair reflection of process to cost.
Per additional vehicle on same land							£30.00		New Fee.

BUDGET POSITION SUMMARY - SPECIAL COLLECTIONS & STREET CLEANSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
SALES							
KKB004-I0112 - Sales of Abandoned Vehicles	(1,800)	(1,800)	(1,800)	NO CHANGE		(1,800)	(1,800)
	(1,800)	(1,800)	(1,800)			(1,800)	(1,800)

COMMUNITY & CUSTOMER SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
ENVIRONMENTAL HEALTH & LICENSING (continued)**

Prices quoted below are exclusive of VAT

Description	2017/18 Charge	PRICING STRATEGY				Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE			
Standard rated & exclusive of VAT								
All commercial, non statutory work not listed will be undertaken after provision of a quote and agreeing of a contract.								
Officer charges per hour for carrying out Works in default (no VAT)								
Business Compliance Officer	£43.75	✓	✓	✓	✓	£43.75	NO CHANGE	
Business development Officer	£48.95	✓	✓	✓	✓	£48.95	NO CHANGE	
Strategic Project Manager	£43.75	✓	✓	✓	✓	£43.75	NO CHANGE	
Energy and Renewal Officer	£47.05	✓	✓	✓	✓	£47.05	NO CHANGE	
Community Safety Coordinator	£43.75	✓	✓	✓	✓	£43.75	NO CHANGE	
Assistant Licensing Officer	£35.45	✓	✓	✓	✓	£35.45	NO CHANGE	
Licensing Officer	£42.90	✓	✓	✓	✓	£42.90	NO CHANGE	
Support Officer	£31.95	✓	✓	✓	✓	£31.95	NO CHANGE	
Support Team Co-ordinator	£39.10	✓	✓	✓	✓	£39.10	NO CHANGE	
Environmental Health Technical Officer	£40.10	✓	✓	✓	✓	£40.10	NO CHANGE	
Senior Environmental Crime Officer	£42.90	✓	✓	✓	✓	£42.90	NO CHANGE	
Environmental Crime Officer	£43.75	✓	✓	✓	✓	£43.75	NO CHANGE	
Town Enforcement Officer	£39.10	✓	✓	✓	✓	£39.10	NO CHANGE	
Environmental Health Officer	£48.80	✓	✓	✓	✓	£48.80	NO CHANGE	
Environmental Health Manager	£55.20	✓	✓	✓	✓	£55.20	NO CHANGE	
Section Head	£59.50	✓	✓	✓	✓	£59.50	NO CHANGE	
Report for solicitor / victim for use in legal action / claim (such as health & safety reports, noise nuisance, reports etc).								
Work as above Amount to be submitted with request	hourly rate as above	✓	✓	✓	✓	hourly rate as above		
List of authorised processes and other pollution registers	10p per photocopy	✓	✓	✓	✓	10p per photocopy	NO CHANGE	
Hard copy of Food Premises Register	10p per photocopy	✓	✓	✓	✓	10p per photocopy	NO CHANGE	
Hard copy of Licensed HMO Public Register	10p per photocopy	✓	✓	✓	✓	10p per photocopy	NO CHANGE	
(Where allowed by law) per single sheet of A4 paper	10p per photocopy	✓	✓	✓	✓	10p per photocopy	NO CHANGE	
More complex work	As per officer charges above plus 10p per photocopy	✓	✓	✓	✓	As per officer charges above plus 10p per photocopy	NO CHANGE	
Probably including active date gathering, site visits, interviews etc. Minimum charge first two hours where additional time charged in 15 minute blocks - only where not covered by FOI Act. Amount to be submitted with request								
Environmental Information Requests								
ElR Request (Per hour)	£65.00	✓	✓	✓	✓	£67.00		
Housing standards inspection for immigration purposes								
(customer has the choice to use either the local authority or the private sector)								
Standard Service (within 10 days)	£154.00	✓	✓	✓	✓	£158.00	2.60 %	
Priority Service (within 3 days)	£250.00	✓	✓	✓	✓	£256.00	2.40 %	
Exempt for VAT purposes								
Level 2 Award in Food Safety in Catering Candidate Fee	£65.00	✓	✓	✓	✓	£65.00	NO CHANGE	
Outside Scope for VAT purposes								
Food Export Certificate	£42.00	✓	✓	✓	✓	£43.00	2.38 %	
Food Hygiene Rating Scheme re-assessment charge if before 3 month period)	£0.00	✓	✓	✓	✓	£122.00		
Houses in Multiple Occupation (HMO)								
Fast track process licensing application for new or renewals. (within 5 days)	£0.00	✓	✓	✓	✓	£300.00		New Charge
HMO Licensing New Application Fee								
Concessionary rate for Charities (20% discount)	£1,115.00	✓	✓	✓	✓	£1,143.00	2.51 %	
	£892.00					£914.00	2.47 %	
HMO Licensing Renewal Application Fee								
Concessionary rate for Charities (20% discount)	£928.00	✓	✓	✓	✓	£951.00	2.48 %	
	£742.00					£761.00	2.56 %	
HMO Assisted Licence Application Fee								
Extra copy of HMO licence document (where release agreed/requested by landlord)	£200.00	✓	✓	✓	✓	£265.00	32.50 %	2017-18 was a 1st year introductory fee. This year the fee is cost recovery.
	£25.00	✓	✓	✓	✓	£26.00	4.00 %	
HMO Set Up and Advice Service						See comments		HMO Set Up and Advice Service – First hour free then a chargeable service at a commercial rate. A quote will be supplied as part of the one hour free service.
Private Rented Single Occupancy Dwelling Set Up and Advice Service - First hour free then a chargeable service at a commercial rate. A quote will be supplied as part of the one hour free service.						New		First hour free then a chargeable service at a commercial rate. A quote will be supplied as part of the one hour free service.
Housing Enforcement Charges								
Charge to cover expenses if an enforcement notice is served under the Housing Act 2004	£250.00	✓	✓	✓	✓	£256.00	2.40 %	

BUDGET POSITION SUMMARY - ENVIRONMENTAL HEALTH & LICENSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
ECE000-i0537 - Health & Safety - Miscellaneous Fees	(3,000)	(3,000)	(3,000)	NO CHANGE		(3,000)	(3,000)
EDC000-i0504 - Inspection Fees	(4,000)	(4,000)	(4,000)	NO CHANGE		(4,000)	(4,000)
EDC000-i0631 - Income HMO Registration Fees	(7,000)	(7,000)	(7,000)	NO CHANGE		(7,000)	(7,000)
EDD000-i0572 - Fees-EPA 1990	(4,000)	(4,000)	(4,000)	NO CHANGE		(4,000)	(4,000)
EDH000-i0501 - Envirocrime - Fixed Penalty Notice	(15,000)	(15,000)	(5,000)	(67)	savings in other areas of this team's work balance this reduced income and refocus of resources. Littering is much reduced and therefore the need and ability to issue littering FPNs is reduced. The income may increase next year with the ongoing use of FPNs for flytipping.	(5,000)	(5,000)
	(33,000)	(33,000)	(23,000)			(23,000)	(23,000)

COMMUNITY & CUSTOMER SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
INFORMATION UNIT & CUSTOMER SERVICES**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
Street Naming and Numbering :- Change to existing property	£55.00	✓	✗	✗	✗	✗	£60.00	9.09 %	New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure New Charging structure
New Build 1 Plot	£55.00	✓	✗	✗	✗	✗	£100.00	81.82 %	
For each additional plot/unit	NA						£20.00		
2-5 Plots	£110.00	✓	✗	✗	✗	✗	Remove		
6-10 Plots	£165.00	✓	✗	✗	✗	✗	Remove		
11-20 Plots	£220.00	✓	✗	✗	✗	✗	Remove		
21-25 Plots	£275.00	✓	✗	✗	✗	✗	Remove		
26-50 Plots	£330.00	✓	✗	✗	✗	✗	Remove		
51-75 Plots	£440.00	✓	✗	✗	✗	✗	Remove		
76-100 Plots	£550.00	✓	✗	✗	✗	✗	Remove		
101-150 Plots	£660.00	✓	✗	✗	✗	✗	Remove		
151-250 Plots	£750.00	✓	✗	✗	✗	✗	Remove		
More than 250 Plots	£750.00 plus £2.00 per unit	✓	✗	✗	✗	✗	Remove		
New street name and postal numbers for a new development	£165.00 fee for street name plus postal nos based on nos of plots shown above	✓	✗	✗	✗	✗	£200.00	21.21 %	
Existing property - registration of property details with Royal Mail and / or utility companies	£55.00 per property	✓	✗	✗	✗	✗	£55.00	NO CHANGE	
Subdividing an existing property	£85.00 unit per property	✓	✗	✗	✗	✗	Remove Remove	New Charging structure New Charging structure	
Renaming a street at the request of residents	£200.00 plus £30 per property	✓	✗	✗	✗	✗	£200.00 £30.00	NO CHANGE #VALUE!	
GIS system search (when operational) with letter amount to be submitted with request	£150.00	✗	✓	✗	✗	✗	£150.00	NO CHANGE	

BUDGET POSITION SUMMARY - INFORMATION UNIT & CUSTOMER SERVICES

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
ADW000-i0536 - Miscellaneous Charges	(12,500)	(15,000)	(12,500)	NO CHANGE		(12,500)	(12,500)
	(12,500)	(15,000)	(12,500)			(12,500)	(12,500)

COMMUNITY & CUSTOMER SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
HOUSING**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
Average weekly hostel rents and service charges	£167.50	x	✓	x	x	x	£167.50	NO CHANGE	Managed Dwellings - Due to HB TA subsidy changes, occupants of self contained TA are now entitled to £60 a week less HB. We are therefore reducing the rent of each unit by £60 as and when they become void. B&B/nightly lets. There is no increase to what we actually charge. We have fewer clients in these units, but those still in use are the larger units and the higher cost. So without the lowers costs smaller units the average calculation comes out higher.
Managed dwelling rents	£220.09	x	✓	x	x	x	£199.27	-9.46 %	
Bed & Breakfast/Nightly let weekly Charge	£206.83	x	✓	x	x	x	£218.97	5.87 %	

BUDGET POSITION SUMMARY - HOUSING

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
LAND & PROPERTY BASED CHARGES							
JWP000-I0901- Rent - WJ0316 - Hostels & Dwellings	(600,000)	(600,000)	(626,010)	4		(626,012)	(626,012)
	(600,000)	(600,000)	(626,010)			(626,012)	(626,012)

PLANNING SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
PARKING SERVICES**

Prices quoted below are exclusive of VAT except for car parking at The Avenue, Town Hall and Longspring

Description	2017/18 Charge	PRICING STRATEGY				Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE			
Outside Scope for VAT purposes								
On Street pay and display								
Inner CPZ P&D charge per hour	£1.50	x	✓	x	x	x	£1.60	6.67 %
Outer CPZ P&D charge per hour	£1.00	x	✓	x	x	x	£1.10	10.00 %
Standard rated & inclusive of VAT								
The Avenue Car Park								
7 a.m. to 5 p.m. - 60p per hour								
1 Hour	£0.80	✓	x	✓	x	x	£0.80	NO CHANGE
2 Hours	£1.60	✓	x	✓	x	x	£1.60	NO CHANGE
3 Hours	£2.40	✓	x	✓	x	x	£2.40	NO CHANGE
4 Hours	£3.20	✓	x	✓	x	x	£3.20	NO CHANGE
All day till midnight	£5.50	✓	x	✓	x	x	£5.50	NO CHANGE
5 p.m. to midnight	£2.50	✓	x	✓	x	x	£2.50	NO CHANGE
Season tickets per annum	£800.00	✓	x	✓	x	x	£800.00	NO CHANGE
Town Hall Car Park								
Monday - Friday 5 p.m. to midnight and Saturday & Sunday 5 p.m. to midnight	£2.50	✓	x	✓	x	x	£2.50	NO CHANGE
1 Hour	£0.80	✓	x	✓	x	x	£0.80	NO CHANGE
2 Hours	£1.60	✓	x	✓	x	x	£1.60	NO CHANGE
3 Hours	£2.40	✓	x	✓	x	x	£2.40	NO CHANGE
4 Hours	£3.20	✓	x	✓	x	x	£3.20	NO CHANGE
All day till midnight	£5.50	✓	x	✓	x	x	£5.50	NO CHANGE
5 p.m. to midnight	£2.50	✓	x	✓	x	x	£2.50	NO CHANGE
Longspring Charges								
Monday - Saturday								
1 hour	£0.60	✓	x	✓	x	x	£0.60	NO CHANGE
Up to 4 hours	£1.20	✓	x	✓	x	x	£1.20	NO CHANGE
All day	£2.40	✓	x	✓	x	x	£2.40	NO CHANGE
Harebreaks Car park								
Monday - Saturday								
1 hour	£0.50	✓	x	✓	x	x	£0.50	NO CHANGE
4 hours (maximum stay)	£1.00	✓	x	✓	x	x	£1.00	NO CHANGE
Outside Scope for VAT purposes								
Parking Penalties								
Serious Contravention	£50.00	x	✓	x	x	x	£50.00	NO CHANGE
More Serious Contravention	£70.00	x	✓	x	x	x	£70.00	NO CHANGE
Permit Charges								
full cpz 1st permit	£25.00	x	✓	x	x	x	£25.00	NO CHANGE
full cpz 2nd permit	£55.00	x	✓	x	x	x	£55.00	NO CHANGE
fullcpz V Vouchers 40 1hour	£4.50	x	✓	x	x	x	£4.50	NO CHANGE
fullcpz V Vouchers 20 4hour	£7.00	x	✓	x	x	x	£7.00	NO CHANGE
fullcpz 1 day vouchers 5	£4.50	x	✓	x	x	x	£4.50	NO CHANGE
fullcpz 1 week v voucher	£4.50	x	✓	x	x	x	£4.50	NO CHANGE
fullcpz Business permit inner zone	£300.00	x	✓	x	x	x	£300.00	NO CHANGE
fullcpz Business permit outer zone	£150.00	x	✓	x	x	x	£150.00	NO CHANGE
Match Day 1st Permit	£6.00	x	✓	x	x	x	£6.00	NO CHANGE
Match Day 2nd permit	£12.00	x	✓	x	x	x	£12.00	NO CHANGE
MD V Vouchers 1 Day for 5	£4.50	x	✓	x	x	x	£4.50	NO CHANGE
MD Business permit	£60.00	x	✓	x	x	x	£60.00	NO CHANGE
Medical Permits (DHV)	£25.00	x	✓	x	x	x	£25.00	NO CHANGE
subsequent	£55.00	x	✓	x	x	x	£55.00	NO CHANGE
Car Park pass cards for disabled residents	£10.00	x	✓	x	x	x	£10.00	NO CHANGE
Parking Dispensations/bay suspensions :-								
Per bay per day	£20.00	x	✓	x	x	x	£20.00	NO CHANGE
Per bay per week first 2 weeks	£120.00	x	✓	x	x	x	£120.00	NO CHANGE
Per bay per week 3 weeks or more	£100.00	x	✓	x	x	x	£100.00	NO CHANGE

BUDGET POSITION SUMMARY - PARKING SERVICES

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
Longspring							
KFB000-10623 - Income-Parking Fees	(14,500)	(14,500)	(17,000)	17		(17,000)	(17,000)
The Avenue							
KFC000-10623 - Income-Parking Fees	(163,000)	(163,000)	(145,000)	(11)		(145,000)	(145,000)
KFC000-10624 - Income-Season Tickets	(10,000)	(10,000)	(10,000)	NO CHANGE		(10,000)	(10,000)
Town Hall							
BEA001-10623 - Income-Parking Fees (Staff)	(15,000)	(15,000)	(20,000)	33		(20,000)	(20,000)
KFD000-10623 - Income-Parking Fees	(29,000)	(29,000)	(45,000)	55		(45,000)	(45,000)
Controlled Parking Zone							
HDR000-10620 - Permit Charges	(251,000)	(251,000)	(265,000)	6		(265,000)	(265,000)
HDR000-10621 - Pay & Display Receipts	(450,000)	(450,000)	(475,000)	6		(475,000)	(475,000)
HDR000-10623 - Income - Parking Fees	(10,000)	(10,000)	(150,000)	1,400		(150,000)	(150,000)
HDR000-10683 - Penalty Charges	(550,000)	(550,000)	(550,000)	NO CHANGE		(550,000)	(550,000)
HDR001-10622 WJ0134 - Dacorum Borough Council (Net)	(15,200)	(15,200)	0	0	New contract will not include other authorities	0	0
HDR002-10622 WJ0082 - TRDC (Net)	(65,700)	(65,700)	0	0		0	0
	(1,573,400)	(1,573,400)	(1,677,000)			(1,677,000)	(1,677,000)

PLANNING SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-
BUILDING CONTROL

Description	2017/18 Charge	PRICING STRATEGY				Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SHARED	FREE			
Standard rated & exclusive of VAT								
BUILDING CONTROL FEES (TABLE 1)								
FULL PLANS								
New Dwellings								
1 new dwelling								
Plan Fee	£350.00	✓	✓	✓	✓	£370.00	5.71 %	
Inspection Fee	£500.00	✓	✓	✓	✓	£525.00	5.00 %	
2 new dwellings								
Plan Fee	£400.00	✓	✓	✓	✓	£420.00	5.00 %	
Inspection Fee	£650.00	✓	✓	✓	✓	£680.00	4.62 %	
3 new dwellings								
Plan Fee	£450.00	✓	✓	✓	✓	£470.00	4.44 %	
Inspection Fee	£725.00	✓	✓	✓	✓	£760.00	4.83 %	
4 new dwellings								
Plan Fee	£600.00	✓	✓	✓	✓	£630.00	5.00 %	
Inspection Fee	£1,060.00	✓	✓	✓	✓	£1,115.00	5.19 %	
Conversion of dwelling into 2 flats								
Plan Fee	£350.00	✓	✓	✓	✓	£370.00	5.71 %	
Inspection Fee	£495.00	✓	✓	✓	✓	£520.00	5.05 %	
Conversion of dwelling into 3 flats								
Plan Fee	£450.00	✓	✓	✓	✓	£470.00	4.44 %	
Inspection Fee	£625.00	✓	✓	✓	✓	£655.00	4.80 %	
Conversion of dwelling into 4 flats								
Plan Fee	£600.00	✓	✓	✓	✓	£630.00	5.00 %	
Inspection Fee	£785.00	✓	✓	✓	✓	£825.00	5.10 %	
Fees for additional dwellings are based on volumes built								
BUILDING CONTROL FEES (TABLE 2)								
FULL PLANS								
Domestic Extensions								
Extension - Internal floor area under 10m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£350.00	✓	✓	✓	✓	£370.00	5.71 %	
Extension - Over 10m² and under 40m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£490.00	✓	✓	✓	✓	£515.00	5.10 %	
Extension - Over 40m² and under 100m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£600.00	✓	✓	✓	✓	£630.00	5.00 %	
Loft Conversion under 40m2								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£420.00	✓	✓	✓	✓	£440.00	4.76 %	
Loft Conversion over 40m2 under 100m2								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£490.00	✓	✓	✓	✓	£515.00	5.10 %	
DETACHED GARAGE OR CAR PORT								
Internal floor area below 40m²								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Internal floor area over 40m² and under 100m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£250.00	✓	✓	✓	✓	£260.00	4.00 %	
Garage Conversion								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£150.00	✓	✓	✓	✓	£160.00	6.67 %	
Upgrading thermal elements								
Plan Fee	£75.00	✓	✓	✓	✓	£80.00	6.67 %	
Inspection Fee	£125.00	✓	✓	✓	✓	£130.00	4.00 %	
Alterations up to £5000								
Plan Fee	£100.00	✓	✓	✓	✓	£105.00	5.00 %	
Inspection Fee	£125.00	✓	✓	✓	✓	£130.00	4.00 %	
Alterations over £5000 up to 20,000								
Plan Fee	£100.00	✓	✓	✓	✓	£105.00	5.00 %	
Inspection Fee	£275.00	✓	✓	✓	✓	£290.00	5.45 %	
Installation of replacement windows								
Plan Fee	£75.00	✓	✓	✓	✓	£80.00	6.67 %	
Inspection Fee	£105.00	✓	✓	✓	✓	£110.00	4.76 %	
Electrical works (test by consultant)								
Test Fee	£325.00	✓	✓	✓	✓	£340.00	4.62 %	
BUILDING CONTROL FEES (TABLE 3)								
Non-domestic extensions (institutional)								
Extension - Internal floor area under 10m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£350.00	✓	✓	✓	✓	£370.00	5.71 %	
Extension - Over 10m² and under 40m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£570.00	✓	✓	✓	✓	£600.00	5.26 %	
Extension - Over 40m² and under 100m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£670.00	✓	✓	✓	✓	£705.00	5.22 %	
Upgrading thermal elements								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£210.00	✓	✓	✓	✓	£220.00	4.76 %	
Internal alterations under £5000								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£570.00	✓	✓	✓	✓	£600.00	5.26 %	
Internal alterations over £5000 up to £10,000								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£210.00	✓	✓	✓	✓	£220.00	4.76 %	
BUILDING CONTROL FEES (TABLE 3)								
Non-domestic extensions (industrial)								
Extension - Internal floor area under 10m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£310.00	✓	✓	✓	✓	£325.00	4.84 %	
Extension - Over 10m² and under 40m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£415.00	✓	✓	✓	✓	£435.00	4.82 %	
Extension - Over 40m² and under 100m²								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£575.00	✓	✓	✓	✓	£605.00	5.22 %	
Upgrading thermal elements								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£210.00	✓	✓	✓	✓	£220.00	4.76 %	
Internal alterations under £5000								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£570.00	✓	✓	✓	✓	£600.00	5.26 %	
Internal alterations over £5000 up to £10,000								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£210.00	✓	✓	✓	✓	£220.00	4.76 %	
Window, door, shopfront replacement								
Plan Fee	£200.00	✓	✓	✓	✓	£210.00	5.00 %	
Inspection Fee	£110.00	✓	✓	✓	✓	£115.00	4.55 %	
Installation of a mezzanine floor up 100m2								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£360.00	✓	✓	✓	✓	£380.00	5.56 %	
Shop refurbishment under £15000								
Plan Fee	£225.00	✓	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£260.00	✓	✓	✓	✓	£275.00	5.77 %	
Fees for domestic alterations are subject to floor area and type of construction								
Administrative fees associated with S106 agreements :-								
Minor Works	£350.00	✓	✓	✓	✓	£370.00	5.71 %	
Major Works	£500.00	✓	✓	✓	✓	£525.00	5.00 %	
With contribution to healthcare	£100.00	✓	✓	✓	✓	£105.00	5.00 %	

BUDGET POSITION SUMMARY - BUILDING CONTROL

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
GCA000-10104 - Publications / Copy Documents	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
Building Control	(1,000)	(1,000)	(1,000)			(1,000)	(1,000)
FEES & CHARGES							
GCA000-10503 - Building Regulation-Application Fees	(120,000)	(120,000)	(160,000)	33		(160,000)	(160,000)
GCA000-10504 - Inspection Fees	(100,000)	(110,000)	(110,000)	10		(120,000)	(120,000)
GCA000-10518 - Building Regs - Regularisation	(5,500)	(5,000)	(5,500)	NO CHANGE		(7,000)	(7,000)
GCA000-10519 - Building Control Partnership	(6,000)	(6,500)	(2,500)	(58)		(4,000)	(4,000)
Building Control	(231,500)	(241,500)	(278,000)			(291,000)	(291,000)
Total	(232,500)	(242,500)	(279,000)			(292,000)	(292,000)

PLANNING SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
DEVELOPMENT CONTROL**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
DEVELOPMENT CONTROL FEES									
OPERATIONS									
Outline applications for development in Categories 1,2 & 3									
a) where the site area does not exceed 2.5 hectares	£385.00 per 0.1 hectare	x	x	x	x	✓	£462 per 0.1 hectare		
b) where the site area exceeds 2.5 hectares - □ see below	£9,527.00	x	x	x	x	✓	£11,432.40	20.00 %	
□ - Indicates a further charge for each additional 0.1 hectare in excess of 2.5 hectares	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 1 - New dwellings									
a) where the no of dwellings created is 50 or fewer	£385.00 per dwelling	x	x	x	x	✓	£462 per dwelling	20.00 %	
a) where the no of dwellings created is more than 50 - ● see below	£19,049.00	x	x	x	x	✓	£22,858.80	20.00 %	
● - Indicates a further charge for each dwelling in excess of 50	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 2 - Erection of buildings except those in Categories 1,3,4,5 or 7									
a) where no floorspace is to be created	£195.00	x	x	x	x	✓	£234.00	20.00 %	
b) where the gross floorspace does not exceed 40m ²	£195.00	x	x	x	x	✓	£234.00	20.00 %	
c) where the gross floorspace exceeds 40m ² but not 75m ²	£385.00	x	x	x	x	✓	£462.00	20.00 %	
d) where the gross floorspace exceeds 75m ² but not 3750m ²	£385.00 each 75 sq m	x	x	x	x	✓	£462 per 75 sqm		
e) where the gross floorspace exceeds 3750m ² - ♦ see below	£19,049.00	x	x	x	x	✓	£22,858.80	20.00 %	
♦ - Indicates a further charge for each 75m ² in excess of 3750m ²	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 3 - Agricultural buildings except glasshouses									
a) where gross floorspace does not exceed 465 m ²	£80.00	x	x	x	x	✓	£96.00	20.00 %	
b) where gross floorspace exceeds 465m ² but < 540m ²	£385.00	x	x	x	x	✓	£462.00	20.00 %	
c) where gross floorspace exceeds 540m ² but < 4215m ²	£385.00 first 540 sq m plus	x	x	x	x	✓	£462 for first 520 sqm plus	20.00 %	
	£385.00 each extra 75 sq m	x	x	x	x	✓	£462 each extra 75 sq m		
d) where gross floorspace exceeds 4215m ² - ► see below	£19,049.00	x	x	x	x	✓	£22,858.80	20.00 %	
► - Indicates a further charge for each 75m ² in excess of 4215m ²	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 4 - Glasshouses									
a) where gross floorspace does not exceed 465 m ²	£80.00	x	x	x	x	✓	£96.00	20.00 %	
b) where gross floorspace exceeds 465m ²	£2,150.00	x	x	x	x	✓	£2,580.00	20.00 %	
Category 5 - Erection, alteration or replacement of plant or machinery									
a) where the site area does not exceed 5 hectares	£385.00 per 0.1 hectare	x	x	x	x	✓	£462 per 0.1 hectare	20.00 %	
b) where the site area exceeds 5 hectares - ▲ see below	£19,049.00	x	x	x	x	✓	£22,858.80	20.00 %	
▲ - Indicates a further charge for each 0.1 hectare in excess of 5 hectares	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 6 - Enlargement, improvement or other alteration of existing dwellings									
a) where the application relates to 1 dwelling	£172.00	x	x	x	x	✓	£206.40	20.00 %	
b) where the application relates to 2 or more dwellings	£339.00	x	x	x	x	✓	£406.80	20.00 %	
Category 7 - Operations within the curtilage of an existing dwelling for purposes ancillary to the enjoyment of the dwelling, including the erection or construction of gates, fences, walls or other means of enclosure along the boundary of the curtilage	£172.00	x	x	x	x	✓	£206.40	20.00 %	
Category 8 - Construction of car parks, service roads and other means of access on land used for the purpose of a single undertaking, where the development is required for a purpose incidental to the existing use of land	£195.00	x	x	x	x	✓	£234.00	20.00 %	
Category 9 - Operations connected with exploratory drilling for oil or natural gas									
a) where the site area does not exceed 7.5 hectares	£385.00 per 0.1 hectare	x	x	x	x	✓	£462 per 0.1 hectare		
b) where the site area exceeds 7.5 hectares - ◀ see below	£28,750.00	x	x	x	x	✓	£34,500.00	20.00 %	
◀ - Indicates a further charge for each 0.1 hectare in excess of 7.5 hectares	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 10 - Other operations not within Categories 1-9									
a) in cases of mining extraction									
i) where the site area does not exceed 15 hectares	£195.00 per 0.1 hectare	x	x	x	x	✓	£234 per 0.1 hectare		
ii) where the site area exceeds 15 hectares - ▼ see below	£29,112.00	x	x	x	x	✓	£34,934.40	20.00 %	
▼ - Indicates a further charge for each 0.1 hectare in excess of 15 hectares	£115.00	x	x	x	x	✓	£138.00	20.00 %	
b) in any other case	£195.00 per 0.1 hectare	x	x	x	x	✓	£234 per 0.1 hectare	20.00 %	

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PLANNING SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- DEVELOPMENT CONTROL (continued)

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
DEVELOPMENT CONTROL FEES									
OPERATIONS (Continued)									
Category 11 - Change of use of a building to residential									
a) from an existing dwelling									
i) to 2 to 50 dwellings	£385.00 for each additional dwelling	x	x	x	x	✓	£462.00	20.00 %	
ii) to more than 50 dwellings - ♦ see below	£19,049.00	x	x	x	x	✓	£22,858.80	20.00 %	
♦ - Indicates a further charge for each dwelling in excess of 50	£115.00	x	x	x	x	✓	£138.00	20.00 %	
b) from a building other than a dwelling									
i) up to 50 dwellings	£385.00 per dwelling	x	x	x	x	✓	£462.00	20.00 %	
ii) to more than 50 dwellings - ♦ see below	£19,049.00	x	x	x	x	✓	£22,858.80	20.00 %	
♦ - Indicates a further charge for each dwelling in excess of 50	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 12 - Use of land for disposal of refuse or waste materials or as open mineral storage									
a) where the site area does not exceed 15 hectares	£195.00 per 0.1 hectare	x	x	x	x	✓	£234.00	20.00 %	
b) where the site area exceeds 15 hectares - — see below	£29,112.00	x	x	x	x	✓	£34,934.40	20.00 %	
— - Indicates a further charge for each 0.1 hectare in excess of 15 hectares	£115.00	x	x	x	x	✓	£138.00	20.00 %	
Category 13 - Material change of use except one falling within Categories 11 and 12	£385.00	x	x	x	x	✓	£462.00	20.00 %	
ADVERTISEMENTS									
Category 14 - Advertisement relating to business on the premises	£110.00	x	x	x	x	✓	£132.00	20.00 %	
Category 15 - Advance directional sign	£110.00	x	x	x	x	✓	£132.00	20.00 %	
Category 16 - All other advertisements	£385.00	x	x	x	x	✓	£462.00	20.00 %	
DETERMINATIONS									
Category 17 - Prior approval									
a) agricultural or forestry buildings	£80.00	x	x	x	x	✓	£96.00	20.00 %	
b) demolition of buildings	£80.00	x	x	x	x	✓	£96.00	20.00 %	
c) telecommunications installations	£385.00	x	x	x	x	✓	£462.00	20.00 %	
d) development involving a material change of use	£80.00	x	x	x	x	✓	£96.00	20.00 %	
e) development involving a material change of use and building operations in connection with that change of use	£172.00	x	x	x	x	✓	£206.40	20.00 %	
ALTERATION OF PERMISSION									
Category 18 - Variation of condition	£195.00	x	x	x	x	✓	£234.00	20.00 %	
Category 19 - Non material amendment									
a) householder development	£28.00	x	x	x	x	✓	£33.60	20.00 %	
b) other development	£195.00	x	x	x	x	✓	£234.00	20.00 %	
COMPLIANCE WITH CONDITIONS									
Category 20 - Confirmation of compliance with conditions									
a) relating to development within Categories 6 and 7	£28.00 per request	x	x	x	x	✓	£33.60	20.00 %	
b) relating to any other development	£97.00 per request	x	x	x	x	✓	£116.40	20.00 %	
RENEWAL OF PLANNING PERMISSION									
Category 21 - Renewal of planning permission where the development has not commenced									
a) householder development	£57.00	x	x	x	x	✓	£68.40	20.00 %	
b) major development	£575.00	x	x	x	x	✓	£690.00	20.00 %	
c) other development	£195.00	x	x	x	x	✓	£234.00	20.00 %	
LAWFUL DEVELOPMENT									
Category 22 - Lawful Development Certificate									
a) for an existing use of land or operational development	Same fee for an equivalent planning application	x	x	x	x	✓			
b) for non compliance with a condition	£195.00	x	x	x	x	✓	£234.00	20.00 %	
c) for a proposed use of land or operational development	Half fee of an equivalent planning application	x	x	x	x	✓			
APPROPRIATE ALTERNATIVE DEVELOPMENT									
Category 23 - Certificate of appropriate alternative development	£195.00	x	x	x	x	✓	£234.00	20.00 %	
CONCESSION FEES AND EXEMPTIONS									
a) reserved matters application where the applicant's earlier reserved matters applications have incurred total fees at least equal to the fee payable for a reserved matters application for the entire scheme	£385.00	x	x	✓	x	✓	£462.00	20.00 %	
b) extensions and alterations to a dwelling or works within its curtilage for the benefit of people with disabilities	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	
c) alterations to public buildings in order to provide access for people with disabilities	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	
d) applications required by reason of the removal of 'permitted development' rights either by a planning condition or by an Article 4 Direction	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	

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PLANNING SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-
DEVELOPMENT CONTROL (continued)

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
DEVELOPMENT CONTROL FEES									
CONCESSION FEES AND EXEMPTIONS (Continued)									
e) a revised or new application for development of the same character or description submitted within 12 months of the refusal or withdrawal of an earlier application or within 12 months of the expiry of the statutory 8 week period where the applicant has appealed on grounds of 'non determination'	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	
f) a revised or new application for development of the same character or description submitted within 12 months of the grant of permission on an earlier application	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	
g) application for listed building consent or conservation area consent	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	
h) application made by or on behalf of a club, society or other organisation which is not established or conducted for profit and whose objects are the provision of facilities for sport or recreation which relates to the change of use of land to playing fields or the carrying out of operations (other than the erection of a building) for purposes ancillary to the use of the land as a playing field	£385.00	x	x	✓	x	✓	£462.00	20.00 %	
i) a prior approval application for a material change of use made on the same date and by or on behalf of the same applicant as an application for planning permission for the same development	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	
j) a planning application which is only for the demolition of an unlisted building in a conservation area	Free of charge	x	x	x	✓	✓	Free of charge	NO CHANGE	
Standard rated & inclusive of VAT									
DEVELOPMENT CONTROL FEES									
PRE APPLICATION ADVICE									
CATEGORY 1 covers -									
a) 75 or more residential units	£8,000.00	x	✓	x	x	x	£9,000.00	12.50 %	
CATEGORY 2 covers :-									
a) 50 - 74 residential units	£5,000.00	x	✓	x	x	x	£6,000.00	20.00 %	
b) 5,000 sq m or more of commercial floorspace									
CATEGORY 3 covers :-									
a) 25 or more residential units or where the site area exceeds 1 hectare	£3,500.00	x	✓	x	x	x	£4,500.00	28.57 %	
b) 2000 sq m or more of commercial floorspace									
c) mixed use developments on a site exceeding one hectare									
d) development requiring an EIA									
e) planning brief									
f) master planning exercise									
CATEGORY 4 covers :-									
a) from 10 to 24 residential units or where the site area is 0.5 hectare to 1 hectare	£1,750.00	x	✓	x	x	x	£2,500.00	42.86 %	
b) from 1000 sq m to 1999 sq m of commercial floorspace									
c) mixed use developments on a site between 0.5 hectare and 1 hectare									
d) change of use of land or buildings involving 500 sq m or more									
CATEGORY 5 covers :-									
a) less than 10 residential units or where the site area is less than 0.5 hectare	£400.00	x	✓	x	x	x	£500.00	25.00 %	
b) from 100 sq m to 999 sq m of commercial floorspace									
c) mixed use developments on a site less than 0.5 hectare									
d) advertisement consent									
e) telecommunications proposals									
CATEGORY 6 covers :-									
a) householder proposals	£75.00	x	x	x	✓	x	£100.00	33.33 %	
b) proposals involving less than 100 sq m of commercial floorspace									
c) lawful development certificates									
d) listed building consent									
e) conservation area consent									

PLANNING SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-
DEVELOPMENT CONTROL (continued)

Description	2017/18 Charge	PRICING STRATEGY				Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE			
Standard rated & inclusive of VAT								
<u>DEVELOPMENT CONTROL FEES</u> <u>PRE APPLICATION ADVICE (Continued)</u>								
N.B. If a pre-application advice request is withdrawn prior to the preparation of a written response, half of the charge that has been paid will be refunded.								

BUDGET POSITION SUMMARY - DEVELOPMENT CONTROL

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
<u>FEES & CHARGES</u>							
GBA000-I0505 - Pre-Application Advice	(35,000)	(35,000)	(55,000)	57		(60,000)	(60,000)
GBA000-I0508 - Planning Application Fees	(600,000)	(480,000)	(650,000)	8		(720,000)	(720,000)
GBA000-I0517 - UU Drafting Fees	(5,000)	(5,000)	(5,000)	NO CHANGE		(5,000)	(5,000)
Development Control	(640,000)	(520,000)	(710,000)			(785,000)	(785,000)
Total	(640,000)	(520,000)	(710,000)			(785,000)	(785,000)

PLANNING SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :-	
LAND CHARGES	

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
Outside Scope for VAT purposes									
Residential Search	£75.00	x	✓	x	x	x	£80.00	6.67 %	
Commercial Search	£141.40	x	✓	x	x	x	£150.00	6.08 %	
Con 29 optional enquiry	£7.50	x	✓	x	x	x	£7.50	NO CHANGE	
Additional enquiry (E.G. Solicitor)	£10.00	x	✓	x	x	x	£10.00	NO CHANGE	
Enquiry by letter	£14.50	x	✓	x	x	x	£14.50	NO CHANGE	
Additional parcel of land	£13.50	x	✓	x	x	x	£13.50	NO CHANGE	
Question 22 enquiry	£16.59	x	✓	x	x	x	£16.59	NO CHANGE	
Fees for Local Land Charges excluding Con29.									
1. Registration of a charge in Part 11 of the register (light obstruction notices)	£67.00	x	✓	x	x	x	£67.00	NO CHANGE	
2. Filing a definitive certificate of the Lands Tribunal under rule 10(3)	£2.50	x	✓	x	x	x	£2.50	NO CHANGE	
3. Filing a judgement, order or application for the variation or cancellation of any entry in Part 11 of the register (light obstruction charges)	£7.00	x	✓	x	x	x	£7.00	NO CHANGE	
4. Inspection of documents filed under rule 10 in respect of each parcel of land	£2.50	x	✓	x	x	x	£2.50	NO CHANGE	
5. Personal search in the whole or in part of the register	£0.00	x	x	x	✓	x	£0.00		
In addition, in respect of each parcel of land above one, where under rule 11(2) the search extends to more than one parcel, subject to a maximum of £16	£0.00	x	x	x	✓	x	£0.00		
5a. Enhanced personal search service	£13.00	x	✓	x	x	x	£13.00	NO CHANGE	
6. Official Search (including issue of official certificate of search) in respect of one parcel of land:									
(a) in any one part of the register (previous statutory fee £2)	£2.00	x	✓	x	x	x	£2.00	NO CHANGE	
(b) in the whole of the register									
(i) Where the requisition is made by electronic means in accordance with rule 16 (previous statutory fee £4)	£13.00	x	✓	x	x	x	£13.00	NO CHANGE	
(ii) and in any other case (previous statutory fee £6)	£13.00	x	✓	x	x	x	£13.00	NO CHANGE	
In respect of each additional parcel of land (previous statutory fee £1)	£4.00	x	✓	x	x	x	£4.00	NO CHANGE	
7. Office copy of any entry in the register (not including a copy or extract of any plan or document filed pursuant to the Rules - previous statutory fee £1.50)	£1.50	x	✓	x	x	x	£1.50	NO CHANGE	

BUDGET POSITION SUMMARY - LAND CHARGES

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
FEES & CHARGES							
AHC000-I0506 - Search Fees	(120,000)	(120,000)	(120,000)	NO CHANGE		(120,000)	(120,000)
	(120,000)	(120,000)	(120,000)			(120,000)	(120,000)

LEGAL AND PROPERTY SERVICES

**2018/19 FEES & CHARGES PROPOSED FOR :-
TOWN HALL FACILITIES**

Description	PMO	NPMO	PRICING STRATEGY					PROFIT MAKING ORGS (PMO)		NON PROFIT MAKING ORGS (NPMO)		Comments
	2017/18		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY	Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Proposed 2018/19 Charge	Annual Increase / Decrease %	
Exempt from VAT												
COMMITTEE ROOM 1 (16 seats)												
1-3 Hours	£105.00	£0.00	x	x	✓	✓	x	£105.00	NO CHANGE	£0.00		
Each additional hour (Weekend bookings will incur an additional charge)	£35.00	£0.00	x	x	✓	✓	x	£35.00	NO CHANGE	£0.00		
COMMITTEE ROOM 2 (24 seats)												
1-3 Hours	£135.00	£0.00	x	x	✓	✓	x	£135.00	NO CHANGE	£0.00		
Each additional hour (Weekend bookings will incur an additional charge)	£45.00	£0.00	x	x	✓	✓	x	£45.00	NO CHANGE	£0.00		
COUNCIL CHAMBER (44 seats) (Refreshments are not permitted in the Council Chamber)												
1-3 Hours	£165.00	£0.00	x	x	✓	✓	x	£165.00	NO CHANGE	£0.00		
Each additional hour (Weekend bookings will incur an additional charge)	£55.00	£0.00	x	x	✓	✓	x	£55.00	NO CHANGE	£0.00		
TRAINING ROOM 1 (20 seats)												
1-3 Hours	£105.00	£0.00	x	x	✓	✓	x	£105.00	NO CHANGE	£0.00		
Each additional hour (Weekend bookings will incur an additional charge)	£35.00	£0.00	x	x	✓	✓	x	£35.00	NO CHANGE	£0.00		
TRAINING ROOM 2 (20 seats)												
1-3 Hours	£135.00	£0.00	x	x	✓	✓	x	£135.00	NO CHANGE	£0.00		
Each additional hour (Weekend bookings will incur an additional charge)	£45.00	£0.00	x	x	✓	✓	x	£45.00	NO CHANGE	£0.00		
MEETING ROOM B (10 SEATS)												
1-3 Hours	£105.00	£0.00	x	x	✓	✓	x	£105.00	NO CHANGE	£0.00		
Each additional hour (Weekend bookings will incur an additional charge)	£35.00	£0.00	x	x	✓	✓	x	£35.00	NO CHANGE	£0.00		
Standard rated & exclusive of VAT												
OTHER CHARGES												
Hire of laptop for period of hire	£10.00	£10.00	x	x	✓	x	x	£10.00	NO CHANGE	£10.00	NO CHANGE	
Hire of projector for period of hire	£10.00	£10.00	x	x	✓	x	x	£10.00	NO CHANGE	£10.00	NO CHANGE	
Flipchart pad (each) incl of pens (conditions apply)	£5.00	£5.00	x	x	✓	x	x	£5.00	NO CHANGE	£5.00	NO CHANGE	
Weekend hire per hour on Saturdays (Staffing Costs)	£51.68	£51.68	x	x	✓	x	x	£51.68	NO CHANGE	£51.68	NO CHANGE	
Weekend hire per hour on Sundays (Staffing Costs)	£68.90	£68.90	x	x	✓	x	x	£68.90	NO CHANGE	£68.90	NO CHANGE	

BUDGET POSITION SUMMARY - TOWN HALL FACILITIES

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
LAND & PROPERTY BASED CHARGES							
KEC000-10901 - Rent (from BBC)	(205,300)	(72,000)	(72,000)	(65)		(72,000)	(72,000)
KEC000-10908 - Service Charge (from BBC)	(68,000)	(34,000)	(34,000)	(50)		(34,000)	(34,000)
KEC000-10908 - Service Charge (HCC - CLCH)	0	(34,000)	(34,000)	100.00 %		(34,000)	(34,000)
KEC000-10901 - Rent (HCC - CLCH)	0	(74,300)	(74,300)	100.00 %		(74,300)	(74,300)
	(273,300)	(214,300)	(214,300)			(214,300)	(214,300)

LEGAL AND PROPERTY SERVICES

2018/19 FEES & CHARGES PROPOSED FOR :- ELECTIONS UNIT

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments	
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY				
Outside Scope for VAT purposes										
Register of Electors										
Electronic version - * (see below)	£20.00	x	x	x	x	✓	£20.00	NO CHANGE	Stutory - no powers to change Stutory - no powers to change	
Hardcopy version - ** (see below)	£10.00	x	x	x	x	✓	£10.00	NO CHANGE		
* - Indicates that per 1000 electorate (and part thereof), an additional levy of £1.50 is chargeable ** - Indicates that per 1000 electorate (and part thereof), an additional levy of £5.00 is chargeable										
Marked Register of Electors										
Electronic version - ○ (see below)	£10.00	x	x	x	x	✓	£10.00	NO CHANGE	Stutory - no powers to change Stutory - no powers to change	
Hardcopy version - ○○ (see below)	£10.00	x	x	x	x	✓	£10.00	NO CHANGE		
○ - Indicates that per 1000 electorate (and part thereof), an additional levy of £1.00 is chargeable ○○ - Indicates that per 1000 electorate (and part thereof), an additional levy of £2.00 is chargeable										
Confirmation Letter Fees										
Single name - single address (current year)	£17.00	x	✓	x	x	x	£17.00	NO CHANGE	Stated charges for 2017/18 were not correctly applied (increased) as proposed. Charges for such confirmations are generally resented by residents, having initially been introduced to deter requests. Defend and support necessary charges, however, stated charges without increase for for 2018/19 are about right and will:- i. Maintain current level of charge objections; ii. Hopefully maintain income at current levels i.e. upon quoting costs some individuals decline the service/assistance and all income is lost. iii. Lowers likelihood of residents taking up cost issue with their elected councillors.	
Multiple name - single address (current year)	£21.50	x	✓	x	x	x	£21.50	NO CHANGE		
Single name - single address (up to 3 yrs)	£21.50	x	✓	x	x	x	£21.50	NO CHANGE		
Single name - single address (4-10 yrs) - ♦ (see below)	£21.50	x	✓	x	x	x	£21.50	NO CHANGE		
♦ - An additional levy of £2.00 is chargeable for each extra year										
More than one name - single address (up to 3 yrs)	£26.50	x	✓	x	x	x	£26.50	NO CHANGE		
More than one name - single address (4-10 yrs) - ♦♦ (see below)	£26.50	x	✓	x	x	x	£26.50	NO CHANGE		
♦♦ - An additional levy of £2.00 is chargeable for each extra year										
Where confirmation required for an individual / household at more than one address :-										
Single name - multiple addresses (up to 3 & current year)	£21.50	x	✓	x	x	x	£21.50	NO CHANGE		
Multiple name - multiple but same addresses (up to 3 & current year)	£26.50	x	✓	x	x	x	£26.50	NO CHANGE		
Certification of overseas pension forms	£10.00	x	✓	x	x	x	£10.00	NO CHANGE	* As with above, however, this charge was only recently introduced (2016/17) with much condemnation from the elderly individuals concerned. Bas Specific function, regarded as the norm in all other EU countries but not genereally by UK residents. Another year or two required to embed this specific charge as the norm here too.	

BUDGET POSITION SUMMARY - ELECTIONS UNIT

Income Code & Description	Original Budget 2017/18	Latest Budget 2018/19	Proposed Budget 2018/19	Annual Increase / Decrease (-) %	Comments	Proposed Budget 2019/20	Proposed Budget 2020/21
SALES							
AGB000-I0103 - Register of Electors (Publications-Minutes)	(3,500)	(3,500)	(3,500)	NO CHANGE		(4,000)	(4,000)
	(3,500)	(3,500)	(3,500)	NO CHANGE		(4,000)	(4,000)

REVENUES & BENEFITS

2018/19 FEES & CHARGES PROPOSED FOR :- COUNCIL TAX

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
<u>Outside Scope & exclusive of VAT</u>									
Penalty Charge (Re : Single Person Discount)	£70.00	x	x	x	x	✓	£70.00	NO CHANGE	Civil penalty as per legislation

BUDGET POSITION SUMMARY - COUNCIL TAX

Income Code & Description	<u>Original Budget 2017/18</u>	<u>Latest Budget 2018/19</u>	<u>Proposed Budget 2018/19</u>	<u>Annual Increase / Decrease (-) %</u>	Comments	<u>Proposed Budget 2019/20</u>	<u>Proposed Budget 2020/21</u>
<u>FEES & CHARGES</u>							
BAD900-I0683 - Income - Penalty Charges	(2,000)	(2,000)	(2,000)	NO CHANGE		(2,000)	(2,000)
	(2,000)	(2,000)	(2,000)			(2,000)	(2,000)

Treasury Management Strategy 2018/19

Medium Term Financial Strategy



1.0 SUMMARY

- 1.1 The purpose of this report is to enable Audit Committee to recommend to Council its Treasury Management Strategy Statement.

2.0 RISKS

- 2.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.watford.gov.uk>.

- 2.2 The strategy details the approach taken to management of Treasury Risk. This is principally through ensuring that the main Treasury risks are managed. These risks are:

- liquidity risk – that the Council may not have the cash it needs on a day to day basis to pay its bills. This risk is managed through forecasting and the retention by the Council of an adequate working capital balance. In addition, through the Public Works Loan Board and other organisations, the Council is able to access short term borrowing, usually within 24 hours.
- interest rate risk – that the costs and benefits expected do not materialise due to changes in interest rates. This risk is managed through the placing of different types and maturities of investments, the forecasting and monitoring of the interest budget (with assistance from the Council's retained advisors).
- exchange rate risk – that losses or gains are made due to fluctuations in the prices of currency. The Council does not engage in any significant non-sterling transactions.
- credit and counterparty risk – that the entity holding Council funds is unable to repay them when due. This risk is managed through the maintenance of a list of authorised counterparties, with separate limits to ensure that the exposure to this risk is limited
- refinancing risk – that the loans taken by the Council will become due for repayment and need replacing at a time when there is limited finance available or interest rates are significantly higher. The timing of loan maturities is monitored along with interest rate forecasts. Officers ensure that due dates are monitored and seek advice from the Council's advisors about when to raise any finance needed.
- legal and regulatory risk – that the Council operates outside its legal powers. This risk is managed through the Council's training and development of Officers involved in Treasury Management, the independent oversight of Internal and External Audit, and the advice (for example on the contents of this strategy) taken from the Council's Treasury advisors.
- fraud, error and corruption – that risk that losses will be caused by impropriety or incompetence is managed through the controls in the Council's financial procedures. For example, the segregation of duties between those making investment decisions and those transferring funds
- market risk – that the price of investments held fluctuates, principally in secondary markets. The majority of the Council's investments are not traded,

but where they are (e.g. Property investment portfolio) the main investments' value comes from the income they generate which is generally long term and secure.

3.0 **RECOMMENDATIONS**

That Cabinet recommends to Council to:

That Council:

3.1 Approves the Treasury Management Strategy for 2018/19. Within this strategy Council is requested to:

- delegate authority to the Portfolio Holder, in consultation with the Director of Finance, to approve any variation to the Treasury Management Strategy during the year with the objective of maximising the Council's returns without significantly increasing risk. Any changes will be notified to Council at the earliest opportunity.
- approve the Council's Minimum Revenue Provision (MRP) Strategy and Policy Statement (para 2.3 of the Treasury report).
- approve the Council's treasury prudential indicators (para 3.3 of the Treasury report)
- approve the Annual Investment Strategy (para 3.5 of the TMS report) including the counterparty list contained in the Annex A to the report (Treasury Management Practices 1).
- approve the flexibility for the Property Investment Board to invest treasury funds within its scheme of delegation.

For further information on this report please contact: -
Bob Watson, Head of Finance
telephone extension: 7188
email: bob.watson@threerivers.gov.uk

Report approved by: Bob Watson, Head of Finance

4.0 **DETAILS**

- 4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: “the management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 4.2 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and complies with the Local Government Act 2003.

4.3 **Treasury Management Strategy Statement 2018/19 – 2020/21**

The Council is required to operate a balanced budget over the medium term which, after allowing for contributions to and from reserves, broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council’s low risk appetite, providing the requisite liquidity before considering investment return.

- 4.4 The Treasury Management Strategy Statement for 2018/19 to 2020/21 is attached at Appendix 1.
- 4.5 The Treasury Management Policy Statement, details the policies, practices, objectives and approaches to risk management of its treasury management activities, which is to be monitored by the Audit Committee. The Council’s investment strategy’s primary objectives are safeguarding the repayment of the principal and interest of its investments on time, and then ensuring adequate liquidity, with the investment return being the final objective. The strategy allows the Portfolio Holder, in consultation with the Director of Finance, the delegated authority to approve any variation to the Treasury Management Strategy during the year with the objective of maximising the Council’s returns without significantly increasing risk. Any changes will be notified to Council at the earliest opportunity.

5.0 **IMPLICATIONS**

5.1 **Financial**

- 5.1.1 Returns on investments provide a source of income that contributes to the Council’s medium term financial strategy. Decisions in respect of Treasury Management will affect the Council’s ability to achieve the budgets set for investment returns. The strategy appended to this report is consistent with the estimates included in the Medium Term Financial Strategy, but should Council wish to pursue a lower risk

strategy an additional budget pressure might be created.

5.2 Legal Issues (Monitoring Officer)

- 5.2.1 It is a statutory requirement that the Treasury Management Strategy and Treasury Management Practices are reviewed annually. The report meets the requirement of CIPFA's Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and complies with the Local Government Act 2003.

5.3 Equalities

None Specific.

Background Papers:

UK Economic Forecasts provided by Capita Asset Services Treasury Solutions;
The Prudential Code for Capital Finance in Local Authorities: Guidance Notes for Practitioners (2013 Edition);
CIPFA Treasury Management in the Public Services: Code of Practice and Cross-sectorial Guidance Notes (2011 Edition);
CIPFA Treasury Management in the Public Services: Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (2011 Edition);
DCLG Guidance on Local Government Investments (2010 Edition);

APPENDICES / ATTACHMENTS

Appendix 1	Treasury Management Strategy Statement 2018/19 – 2020/21
Annex A	Treasury Management Practice (TMP1) Credit and Counterparty Risk Management
Schedule 1	Details of the ratings criteria and counterparty exposure limits

TREASURY MANAGEMENT STRATEGY STATEMENT 2018 – 2021

1.0 Introduction

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, reflecting the outcome of the Council's underlying capital appraisal systems. This report updates the approved indicators. Within this overall prudential framework there is an impact on the Council's treasury management function as it can directly impact on borrowing or investment decisions. As a consequence the treasury management strategy for 2017/18 to 2019/20 is included.

2.0 The Capital Plans and Prudential Indicators 2018/19 – 2020/21

The Council's capital expenditure plans are one of the key drivers of the treasury management function. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 The Council's Capital Position

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the total capital expenditure forecasts within the proposed capital expenditure programme.

	2016/17 Actual	2017/18 Revised Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget
Total Capital Expenditure	£33.385m	£53.882m	£31.166m	£21.448m	£17.302m

The capital expenditure programme is financed by a combination of capital receipts, capital grants or use of capital reserves. The Council is also permitted to borrow to finance its capital programme, provided that the borrowing is prudent, affordable and sustainable. Over the next three years there are no planned shortfalls in the level of resources which would result in a need to borrow, however it is always prudent to review the future borrowing requirements and if necessary borrow at the most prudent time based on expectations of need and future rates. The Council is currently debt free; and is expected to continue to be so over the short/medium term.

2.2 The Council's Borrowing Need - The Capital Financing Requirement (CFR)

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR. Following accounting changes, the CFR also includes any other long term liabilities (e.g. finance leases) that have been brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The Council is asked to approve the CFR projections below:

	2016/17 Actual	2017/18 Forecast	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Total Proposed Capex		£53.9m	£31.2m	£21.4m	£17.3m
<u>Capital Financing -</u>					
Grants		(£1.5m)	(£0.2m)	(£0.1m)	(£0.1m)
Reserves		(£4.1m)	(£0.5)	0	0
Capital Receipts		(£15.3m)	(£22.8m)	(£15.8m)	(£17.2m)
s.106 and CIL		(£0.7m)	0	0	0
Closing CFR	£17.3m	£49.6m	£57.2m	£62.8m	£62.8m
Movement in the CFR*		£32.3m	£7.6m	£5.6m	0
Internal Borrowing		£32.3m	£5.3m	0	0
External Borrowing		0	£2.3m	£5.6m	(7.9m)

* Includes MRP and/or voluntary contributions to reduce the CFR

Any new capital expenditure if unfunded and requiring credit cover would however need to generate a MRP.

2.3 Minimum Revenue Provision (MRP) Strategy and Policy Statement

The Minimum Revenue Provision (MRP) is designed to pay off an element of the capital spend which has not already been financed from existing revenue or capital resources. The Council is required to make prudent provision, which means that the repayment of debt is enabled over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The Council is also able to increase the rate it reduces its CFR by undertaking additional voluntary payments (voluntary revenue provision - VRP) in addition to any MRP; this is not currently the Council's policy.

Government Regulations require the Council to approve a **MRP Statement** in advance of each year. The following MRP statement is recommended:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former Government regulations (option 1);

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3)

This option provides for a reduction in the borrowing need over the asset's estimated life. Repayments of PFI or Finance Leases are allowable to use as a proxy for the above methods.

The Council's current external borrowing is supported by matched capital receipts. Any new capital expenditure that is classed as unfunded and therefore requiring credit cover would generate a MRP.

Watford Borough Council's process is to produce for approval by the Director of Finance, in consultation with the Portfolio Holder, a business case for each scheme intended to be unfunded from other resources. This will clearly show the level of MRP which is proposed to ensure that the repayment of any debt can be made in a period commensurate with the period over which the expenditure provides benefits or makes returns.

2.4 The Use of the Council's Resources and the Investment Position

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc).

The Property Investment Board will play an important role in optimising returns on capital investments. Subject to each business case, where reserves or cash balances can be deployed in accordance with the Property Investment Strategy to generate better returns for the Council, then Council is asked to approve the flexibility required to invest Council treasury funds accordingly.

3.0 Treasury Management Strategy

The treasury management strategy is an important part of the overall financial management of the Council's affairs. The prudential indicators consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992.

The Council's treasury activities are regulated by statutory requirements and the CIPFA Code of Practice on Treasury Management. The Council has adopted a Treasury Management Policy Statement in accordance with the code of practice.

The Constitution requires a strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement is to explain the risks associated with the treasury service. Further treasury reports are produced after the year-end to report on actual activity for the year and a mid-year monitoring update. This strategy covers:

- The current portfolio position;
- The borrowing strategy;
- Annual investment strategy;
- Specific limits on treasury activities;
- Treasury performance indicators;
- Reporting requirements;
- Policy on use of external service providers;
- Training of Officers and Members.

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 this service delivery. This will involve the organisation of both cash flow and the use of appropriate short-term borrowing facilities if required. The strategy covers the relevant treasury prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current Portfolio Position

The Council's current treasury portfolio position at December 2017, with forward projections are summarised below.

Treasury Portfolio	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
External Borrowing	£7.5m	£7.5m	£9.8m	£15.3m	£0m
Total Investments 31 March (including working capital balance of £10m)	£25m	£25m	£10m	£10m	£10m

The external borrowing relates to:

- The Growing Places Funding from the Hertfordshire Local Enterprise Partnership (LEP) was received in July 2013 and is due to be repaid in March 2020. The money has been paid over to the LABV (Local Asset Backed Vehicle) to finance the infrastructure phase of the Watford Health Campus. The development zones will pay back the loan as they are completed.
- £1.5m loan from LEP to part fund the redevelopment of Zone A in Watford Business Park which is due to be repaid in March 2020. The loan is being used to finance the development of new Industrial units in Caxton Way which are expected to be completed in 2017/18.

The Council held £37.2m of investments as at 31 December 2017. Included in the Lloyds Bank total (see table below) is a balance of £15.23m on the current account which is retained for liquidity in order to meet short term cash commitments including precepts. An Interest rate of 0.50% was paid on credit balances on the current account in line with the current bank rate.

Institution	Principal (£)
<u>Banks</u>	
Lloyds Bank plc	6,000,000
Lloyds Bank plc (current ac / call)	15,231,000
Total	21,231,000
<u>Building Societies</u>	
Nationwide Building Society	3,000,000
Principality Building Society	3,000,000
Coventry Building Society	10,000,000
Total	16,000,000
Grand Total	37,231,000

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

Monthly Interest Rates to the end of December 2017

Month	Rate Achieved
April	0.42%
May	0.46%
June	0.50%
July	0.52%
August	0.41%
September	0.48%
October	0.36%
November	0.39%
December	0.41%

The approved benchmark measure of yield is a return of 0.12% above the average bank rate of 0.50% (it increased to 0.5% in November 2017). The returns up to 31 December averaged 0.47%, against a benchmark rate of 0.37%. The average yield return is higher than the benchmark for the year to date. In accordance with its risk appetite, the Council tends to keep the majority of investments short-term (not greater than 364 days).

The budget for interest on investments for 2017/18 is £220,000; interest earned and due to the end of December 2017 was £260,000 and actual interest will exceed the original budget estimate.

3.2 Prospects for Interest Rates

The Council has appointed Capita Asset Services (now Link Asset Services) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view.

	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%

As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November 2017. This removed the emergency cut made in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the Fed. has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.

Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The US Central Bank (the Fed) has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- The result of the October 2017 Austrian general election is likely to result in a strongly anti-immigrant coalition government. In addition, the new Czech prime minister is expected to be Andrej Babis who is strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of

Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

3.3 Treasury Indicators: Limits to Borrowing Activity

There are two limits on external debt: the 'Operational Boundary' and the 'Authorised Limit'. Both are consistent with existing plans and the proposals in the budget report for capital expenditure and financing, and with approved treasury management policy statement and practices.

The key difference is that the Authorised Limit cannot be breached without prior approval of the Council. The Operational Boundary is a more realistic indicator of the likely position. The difference between the authorised limit and operational boundary for borrowing is that the authorised limit includes a head room for borrowing for future known capital needs now. The Authorised Limit represents the limit beyond which borrowing is prohibited, and needs to be revised if necessary by members.

The first key control over the treasury activity is a Performance Indicator (PI) to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and next two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

3.3.1 Treasury Management Indicator - The Operational Boundary

This is the limit beyond which external borrowing is not normally expected to exceed. In most cases this would link directly to the authority's plans for capital expenditure, its estimates for CFR and its estimate of cashflow requirements for the year for all purposes. It is not currently expected that the Council will need to borrow, this limit represents a contingency should the need arise.

As the council already has a loan of £6.0m and a £1.5m loan from the LEP; current budget indications are that there may be a need to borrow for other capital purposes in the next three years, it would be prudent to set the operational boundary at £25 million for 2018/19.

Operational Boundary	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Borrowing	£25m	£30m	£35m

3.3.2 Treasury Management Indicator - The Authorised Limit for External Borrowing

This PI, which is required to be set and revised by Members, controls the overall level of borrowing and represents the limit beyond which external long and short term borrowing is prohibited, and this limit needs to be set or revised by the Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the

expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (2) of the Local Government Act 2003.

Authorised Limit	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Borrowing	£30m	£35m	£40m

3.3.3 Treasury Management Indicator – Actual External Debt

This is the closing balance for actual gross borrowing obtained directly from the council's Balance Sheet at year end.

The Director of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals within this report regarding future external borrowing.

3.4 Borrowing Strategy

Although at this stage there has been no requirement to borrow externally over the medium term, the Council has a number of regeneration projects and it is possible that these may require pump priming for the necessary infrastructure works. Any external borrowing that is required by the Council will be reported to Members at the appropriate time.

The Council's treasury team maintains a cashflow forecast and works its liquidity requirements within this forecast; it may, on rare occasions, be necessary to borrow short-term for cashflow purposes. This will be in the form of short term debt or overdraft facilities and is normally for small amounts for minimum durations. As this is based on need and has a defined repayment period it is not normally included within the limits set above.

3.4.1 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated (ie: the cost of holding does not outweigh the benefits of early borrowing) and that the Council can ensure the security of such funds. Any associated risks will be approved and reported through the standard reporting method.

3.5 Annual Investment Strategy

3.5.1 Key Objectives

The Council's investment strategy's primary objectives are safeguarding the re-payment of the principal and interest of its investments on time, and then ensuring adequate liquidity, with the investment return being the final objective. The current strategy allows the Portfolio Holder, in

consultation with the Director of Finance, the delegated authority to approve any variation to the Treasury Management Strategy during the year which may be brought about by investigating the opportunity to invest for greater than one year and also to invest in other investment instruments i.e Government bonds, Gilts and investment property with a view of to maximising the Council's returns without significantly increasing risk.

3.5.2 Investment Policy

The Council's investment policy has regard to the DCLG's Guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are security first, liquidity second, then yield.

Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices Schedules and are detailed at Annex A.

As part of its diversification of investments, the Council has invested some of its core funds (ie: funds not immediately required for cashflow reasons) in longer-term investment property instruments. These are in the form of individual assets directly owned by the council. Although the Council has no current investments or plans to invest in pooled property funds, these are an option that could be considered in the future. All property investments are controlled through the Property Investment Board (PIB) and each investment is subject to its own business case and appraisal before a decision to invest is taken and before any Council funds are committed.

3.5.3 Creditworthiness policy

The Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary and will provide an overall pool of counterparties considered high quality.

Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the Council's criteria. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

Counterparty Categories

The Council uses the following criteria in choosing the categories of institutions in which to invest:

- **Banks 1 - Good Credit Quality**
The Council will only use UK banks or foreign banks trading in the UK in sterling denomination and which meet the Rating criteria.
- **Banks 2 – The Council’s Own Banker**
For transactional purposes, if the bank falls below the above criteria, it will be included, although in this case balances will be minimised as far as possible in both monetary size and time within operational constraints.
- **Bank Subsidiary and Treasury Operations** – the Council will use these where the parent bank has the necessary ratings outlined above and the parent has provided an indemnity guarantee.
- **Building Societies**
The Council will use all Societies which meet the ratings for banks outlined above.
- **Specific Public Bodies**
The Council may lend to Public Bodies other than Local Authorities. The criterion for lending to these bodies is that the loan has been approved by Council.
- **Money Market Funds AAA Rated**
The Council may lend to Money Market Funds in order to spread its investment risk.
- **Local Authorities**
A limit of £5m per authority will be applied.
- **Debt Management Deposit Account Facility**
A Government body which accepts local authority deposits.
- **Council Subsidiaries (non-specified)**
The Council will lend to its subsidiaries subject to approval of a business case by the Portfolio Holder, in consultation with the Director of Finance. Business cases must be accompanied by an independent assessment of viability, and be subjected to regular monitoring by the Director of Finance.

The current investment counterparty criteria selection approved in the Treasury Management Strategy are being met.

For details of Specified and Non-Specified Investments see below.

Use of Additional Information Other Than Credit Ratings

Additional requirements under the Code of Practice require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will

be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and Monetary Limits Applying to Investments

The time and monetary limits for institutions on the Council's Counterparty List summarised in the table below, are driven by the above criteria. These limits will cover both Specified and Non-Specified Investments.

Exceptional Circumstances

The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions Director of Finance may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly, the time periods for investments will be restricted.

Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMO) – a Government body which accepts local authority deposits, Money Market Funds, and strongly rated institutions. The credit criteria have been amended to reflect these facilities.

3.5.4 Investment Strategy

In-House Funds - investments will be made with reference to the core balance and cashflow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment Returns Expectations:

Bank rate is forecast to remain unchanged at 0.50% before starting to rise from quarter 3 of 2018/19. Bank rate forecasts for financial year ends (March) are:

2017/18	0.50%
2018/19	0.75%
2019/20	1.00%
2020/21	1.25%

Investment Treasury Indicator and Limit - total principal funds invested for greater than one year. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

Treasury Indicator & Limit	2018/19	2019/20	2020/21
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Maximum Principal Sums invested for greater than one year (excluding property investment and loans to Council subsidiaries).	£5m	£5m	£5m
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3.5.5 Investment Risk & Security Benchmarking

These benchmarks are simple guides to maximum risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmarks is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report. In line with the Treasury Management Strategy, the Council has managed to invest with those institutions who offered the best rate and the investment portfolio is above the overall benchmark during the year to date.

Security

Security of the investments is measured by credit ratings, which is supplied by the three main credit rating agencies (Fitch, Moodys and Standard & Poors). Where investments are made to Council subsidiaries (non-listed), the security is measured through a business case with independent viability assessment.

Liquidity

The Council set liquidity facilities/benchmarks to maintain:

- Authorised bank overdraft - nil.
- Liquid short term deposits of at least £5m available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.5 years, with a maximum of 10 years for an individual loan with a public body (excluding loans to institutions the Council has an interest in).

The Council has the benefit of instant access to its funds on the general account with Lloyds.

Yield

The measure of yield on Investments is a return of 0.12% above average bank rate. In accordance with the Code of Practice on Treasury Management this used as a performance indicator. The results of this indicator have been reported in the Treasury Annual Report and the mid-year report.

3.6 Reporting Requirements

End of Year Investment Report - the Council will report on its investment activity for the financial year completed as part of its Annual Treasury Management Report after the end of the financial year.

Mid-year Investment Report – the Council will report on its investment activity for that financial year

as part of its Mid Year Treasury Management Report at the end of September of that financial year.

Treasury Management Strategy – the Council will produce the Strategy for the next three financial years towards the end of the current financial year.

3.7 Policy on the Use of External Service Providers

The contract for external treasury management advisors was re-tendered in October 2016, and following this, Capita Asset Services Treasury Solutions (now Link Asset Services) have been appointed as the advisors to the Council until October 2019. The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The Council will also, from time to time, procure specialist advice for ad-hoc pieces of work; this will be procured in accordance with the Council's normal procedure rules.

3.8 Member and Officer Training

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council has addressed this important issue by:

- Ensuring that officers attend suitable courses and seminars to keep their technical knowledge up to date;
- Keeping up to date with CIPFA publications on Treasury Management. From December 2017 there are new codes for Capital Finance in Local Authorities and also a new Treasury Management Code;
- Regular briefings both by email and face to face with the Council's Treasury advisors;
- Reports and briefing sessions to Members on major changes to Treasury policies and strategies.

The DCLG issued a reviewed Investment Guidance in 2010 (second edition), and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds, which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance has produced this Treasury Management Practices (TMP's) guidance.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments;
- The principles to be used to determine the maximum periods for which funds can be committed;
- Specified investments that the Council will use. These are high security, and high liquidity investments in sterling and with a maturity of no more than a year;
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy Guidelines – the main strategy guidelines are contained in the body of the treasury strategy statement.

Specified Investments – these investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
2. A local authority, parish council or community council.
3. A body that is considered of a high credit quality (such as a bank or building society) with a minimum short term rating of F-1 (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies or a Building Society with assets over £1,000m. Non rated Building Societies are non-specified investments.

4. Money Market Funds (triple AAA rated only).

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are defined in the Treasury Management Strategy.

The ratings criteria and exposure limits are detailed at **Schedule 1**.

Non-Specified Investments – non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	Any bank or building society that has a minimum long term credit rating of A (or equivalent), for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£5m
b.	The Council's own banker if it fails to meet the basic credit criteria.	In this instance balances will be minimised as much as possible
c.	Building Societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which were originally considered Eligible Institutions and have a minimum asset size of £5,000m, but will restrict these types of investments to £2m for up to six months.	£2m
d.	Specific Public Bodies The Council can seek Member approval to make loans to other public bodies for periods of more than one year.	£10m
e.	Loans to Council Subsidiaries The Council will lend to its subsidiaries subject to approval of a business case by the Portfolio Holder, in consultation with the Director of Finance. Business cases must be accompanied by an independent assessment of viability, and be subjected to regular monitoring by the Director of Finance.	£10m limit for any single loan
f.	Other unspecified investments The strategy allows the Portfolio Holder, in consultation with the Director of Finance, in consultation with the Lead Member, the delegated authority to approve any variation to the	

	Treasury Management Strategy during the year which may be brought about by investigating the opportunity to invest for greater than one year and also to invest in other investment instruments i.e Government bonds, Gilts and investment property with a view of to maximising the Council's returns without significantly increasing risk. This allows the addition of further unspecified investments, subject to conditions which will be generally similar to (e).	£10m
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In accordance with the Code, the Council has developed additional criteria to set the overall amount of monies which will be invested in these bodies. These criteria are defined in the Treasury Management Strategy.

In respect of category 'd' this will only be considered after obtaining external advice and subsequent Member approval.

The Council will also consider investment in property in accordance with its Property Investment Strategy. All property investments will be dependent on a standalone business case being proven.

The Monitoring of Investment Counterparties

The credit rating of counterparties is monitored regularly. The main rating agencies (Fitch, Moody's and Standard & Poor's) provide credit ratings for financial institutions. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services Treasury Solutions as and when ratings change, and counterparties are checked promptly. The Council considers minimum short term ratings as key criteria in the choice of creditworthy investment counterparties; F1+, P-1 and A-1+ are the highest short term credit ratings of Fitch, Moody's and Standard & Poor's respectively. Minimum Short Term Ratings, where given, must be met for all categories. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Finance, and if required new counterparties which meet the criteria will be added to the list.

For non-specified investments (e.g. e-f above) the progress of the entity against the approved, independently verified business case will be monitored by the Director of Finance.

Institution Type	Max Amount:			£10m	£10m	£10m	£10m	£10m
	Max Length:			10 Years	364 Days	6 Months	3 Months	1 Month
	Minimum Short Term Ratings							
	Fitch	Moody's	S&P					
UK Banks								
The Council's own Bankers	F1m	P-1	A-1	If Council's own bankers fall below the minimum long term criteria for UK banks, cash balances will be managed within operational liquidity constraints and balances will be minimised as much as possible.				
Wholly Owned Subsidiaries of UK Clearing Banks - Parent Ratings	F1	P-1	A-1		Backed up by AA(F), Aa2(M) and AA(S&P) long term credit rating	Backed up by single A long term ratings by all agencies	Backed up by lower than A long term rating	Backed up by lower than A long term rating
Partially Owned Subsidiaries of UK Clearing Banks - Parent Ratings	F1	P-1	A-1		Backed up by AA(F), Aa2(M) and AA(S&P) long term credit rating	Backed up by single A long term ratings by all agencies	Backed up by lower than A long term rating	Backed up by lower than A long term rating
UK Building Societies								
Either	F1	P-1	A-1		Backed up by AA(F), Aa2(M) and AA(S&P) long term credit rating	Backed up by single A long term ratings by all agencies	Backed up by lower than A long term rating	Backed up by lower than A long term rating

Or					Assets over £15,000m	Assets over £5,000m	Assets of £2,500m	Assets of £1,000m
Specific Public Bodies				As approved by Members				
Debt Management Deposit Facility (UK Government)						Unlimited		
Money Market Funds (AAA Rated)								£5m per fund
UK Local Authorities				The Council can invest in all UK Local Authorities whether rated or not				

Notes:-

1. F1+, P-1 and A-1+ are the highest short term credit ratings of Fitch, Moody's and Standard and Poor's respectively.
2. Minimum Short Term Ratings - Where given, these must be met, for all categories (except RBS Group).
3. Building Societies - A Building Society has to meet either the ratings criteria or the assets criterion to be included in the category, not both.
4. Maximum amount is the maximum, in total, over all investments, with any one institution (with the exception of RBS Group).

PROPERTY INVESTMENT STRATEGY

Property Investment Policy 2015/16

The council is restricted in the different investment vehicles it is legally allowed to invest in notwithstanding the over-riding need for prudence. Of the few options open one is Property and the returns from investing in property have generally been, and currently are, greater than the limited opportunities in the money markets. This should be read in conjunction with the Asset Management Policy.

In broad terms the returns can be higher because the risks are greater. Factors to be taken into account when deciding the principle of investing in property include:

- investment will be for the long term since it may not be possible, or wise, to sell quickly
- the costs of acquisition and disposal
- there are management costs, risk of rent default and failure to honour maintenance agreements
- generally property tends to appreciate in value, although this will vary by type and area; however, in some cases the value may go down
- property can become functionally obsolete necessitating major refurbishment
- without regular repair and maintenance the condition will deteriorate and the responsibility for repairs/maintenance may not always rest with the tenant
- certain types of property may become less desirable as time goes by; this can make re-letting difficult or attract a lower calibre of tenant.

How much is invested?

Approximately £100 million is currently held in the property portfolio and £ 30 million is invested in treasury investments (short term investments (less than 1 year) with UK building societies and banks).

What type of property?

There are different types of property investment as follows:

- i) Retail
- ii) Office
- iii) Industrial
- iii) Leisure

For risk management purposes it is recommended that no single asset should comprise more than 10% of the whole portfolio and locations should be diverse as should property types. Convention has often dictated an ideal balance of 30% of monies invested in each retail, office and industrial sectors, and the remaining 10% into leisure and miscellaneous uses. The mix helps to protect the fund against

movements that might adversely affect one specific sector which would otherwise have a disproportionate impact.

What level of financial return?

In general, property can be categorised as prime, secondary or tertiary in terms of its desirability. 'Rack-rented' means that the maximum market rental achievable is being received. Yield derives from both capital and rent. Lower yields can indicate that the investment attracts a lower degree of risk due to the ratio of rent to capital and other factors such as location, security and regularity of income. Property investment returns will differ depending upon the market and the nature of the asset.

The Investment Portfolio Database (IPD) index tracks total returns (income return and capital growth) on a combined portfolio of all property types and is frequently used as a benchmark by which to measure the performance of individual portfolios. Over the last 12 months the Index has demonstrated All Property returns of 16.2%, comprised of retail at 10.6%, office at 21.3%, and industrial at 20.7%. The long term average total return is 8.3%, which would be a more reliable benchmark moving forward.

The Council has a target to grow the income from the portfolio by 5% per annum. This is to be benchmarked against the income return element of the IPD Index to demonstrate that value for money has been achieved and to promote accountability.

Where should it be located?

There are compelling legal, cultural and financial reasons for not investing in the European mainland at the moment. Within the UK the location will influence the return and the type of property and may make management more or less difficult depending on distance from the Council offices. Only property located in the UK will be considered.

Wherever possible, stock to be selected should support local regeneration and provide a community benefit, although the Council may have to consider opportunities outside the Borough in order to achieve the required results.

INVESTMENT PORTFOLIO ASSESSMENT MATRIX

A scoring matrix allows the relative merits of an investment opportunity to be measured. The resultant score can then be assessed against a target measure or used for comparison against other opportunities. The key financial elements are covered in the following table:

SCORING CRITERIA	Score	4	3	2	1
	Weighting Factor	Excellent / Very Good	Good	Acceptable	Not Acceptable
Location	5	Major prime	Micro prime	Secondary	Tertiary
Tenant Covenant	5	Single tenant with strong financial covenant	Multiple tenants with strong financial covenant	Single or Multiple tenants with good financial	Tenants with poor financial covenant strength
Building Quality	4	Modern or recently refurbished with nominal capex required	Good quality with capex likely to be required within the next 20 years	Good quality with capex likely to be required within the next 10 years	Older style or non-compliant with capex required within the next 5 years
Occupier's Lease Length	4	Greater than 10 years	Between 6 and 10 years	Between 3 and 6 years	Less than 3 years or vacant
Tenure	3	Freehold	Lease 125 years plus	Lease between 100 and 125 years	Lease between 60 and 100 years
Lot Size	3	Between £3m & £5m	Between £2m & £3m or £5m & £7m	Between £1m & £2m or £7m & £10m	Greater than £15m
Max Score		96	72	48	24

The threshold score should be set at 60.

Section Head Pay

Proposal for an Extended Pay Band



Section Head Pay – Proposal for an Extended Pay Band

Background

1. Watford Borough Council needs to be able to manage the recruitment and retention risks related to Section Head posts.
2. Whilst benchmarking data suggest that rates of pay for the Section Head grades (Grades 10 and 11) are comparable to other district authorities of a similar size, Watford is an urban, Mayoral led authority with an ambitious programme, large scale developments and significant investment leverage.
3. Watford's location also means that it is competing in the job market with London and the South East, as well as its own East of England region.
4. The combination of the above requires recruitment and retention of very high performing Section Heads.
5. The standard grading structure has:
 - 5 scale points in Grade 10 – ranging from £45,602 to £49,402 (including London Weighting Fringe Allowance)
 - 5 scale points in Grade 11 – ranging from £50,358 to £54,276 (including London Weighting Fringe Allowance)
 - Chief Officer pay scales starting at £69,449 – including allowances

Extended Pay Band – Grade 11

6. An additional extended pay band is proposed for Grade 11 posts, allowing progression above the maximum of the standard Grade 11 pay band.
7. It is proposed that the additional pay band (including London Weighting Fringe Allowance) starts at a minimum of £55,500 and has three further points: £57,000, £58,500 and £60,000 (these rates will be reviewed in line with the annual pay review).
8. The criteria and process for progression to the extended pay band is proposed as follows:
 - There must be an evidenced recruitment and retention risk relating to the post and/or person within the post
 - There must be evidence of high risk to the organisation should the post in question become vacant
 - Performance of the post holder must be deemed exceptional by the pay panel
 - The post holder will be at the maximum of the standard Grade 11 and will not be in receipt of a market factor supplement. If the extended pay band would be more beneficial and the other criteria are met, this may be considered as an alternative but not in addition to a market factor supplement.
 - Progression to the extended pay band will be reviewed and agreed by a Pay Panel consisting of the Managing Director, the Deputy Managing Director and the Head of HR, as and when a risk issue arises, as flagged by the Head of Service (this may be caused by a number of reasons including: triggered by the criticality of the business agenda and the need for increased assurance of continuity in delivery and/or the individual applying for another post/alternative job offer being made).
 - Progression through the new extended pay band will be automatic in line with standard incremental progression criteria.
 - Any increment awarded is permanent and pensionable.
 - The approach will also be checked against equalities issues and, in particular, equal pay.