



**WATFORD  
BOROUGH  
COUNCIL**

# **CABINET**

**22 January 2018**

**7.00 pm**

**Town Hall Watford**

**Contact**

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# Cabinet Membership

Mayor	D Thornhill	(Chair)
Councillor	P Taylor	(Deputy Mayor)
Councillors	K Collett, S Johnson, I Sharpe and M Watkin	

## Agenda

### Part A – Open to the Public

1. **Apologies for Absence**
2. **Disclosure of Interest (if any)**
3. **Minutes of previous meeting**

The [minutes](#) of the meeting held on 4 December 2017 to be submitted and signed.

4. **Conduct of meeting**

The Cabinet may wish to consider whether there are any items on which there is general agreement which could be considered now, to enable discussion to focus on those items where the Cabinet sees a need for further debate.

5. **Financial Planning (Pages 4 - 108)**

Report of Director of Finance, to enable 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.

6. **Homelessness Reviews Framework Agreement (Pages 109 - 133)**

Report of Head of Housing, Cabinet is requested to approve the establishment of a framework agreement as a mechanism to deliver Homelessness Reviews and approve the contracting out of the homelessness review function.

**7. Housing Service New Operating Model - Implementing the Homeless Reduction Act 2017** (Pages 134 - 153)

Report of Head of Housing which sets out the planned changes to the housing services operating model for dealing with the requirements of the Homeless Reduction Act 2017.

**8. ICT Strategy 2017 - 2020** (Pages 154 - 191)

Report of Head of Service Transformation to ask Cabinet to approve the ICT Strategy 2017-2020



# **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)

<b>Nature of Risk</b>	<b>Consequence</b>	<b>Suggested Control Measures</b>	<b>Response (Treat, tolerate, terminate, transfer)</b>	<b>Risk Rating (combination of severity and likelihood)</b>
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:-

Bob Watson - Head of Finance  
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Nigel Pollard - Section Head (Accountancy)  
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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**



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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:

<b>MTFS 2018-2021</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>Total £000</b>
Gap in MTFS at 1 April (approved by Council in January 2017)	(253)	1,215	1,071	1,071	3,104
<b>Base Budget Changes:</b>					
A. In year changes identified through budget monitoring at period 8	197	46	374	369	986
B. Salary Changes		80	130	280	490
<b>Other changes:</b>					
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
<b>Gap</b>	<b>(841)</b>	<b>1,358</b>	<b>1,612</b>	<b>(116)</b>	<b>2,013</b>

## Medium Term Financial Strategy 2018-2021

 <b>WATFORD BOROUGH COUNCIL</b> BE BOLD	2017/18	2017/18	2018/19	2019/20	2020/21
	Original	Revised	Original	Original	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
<b>Net cost of services</b>	<b>13,051</b>	<b>14,482</b>	<b>12,301</b>	<b>12,404</b>	<b>12,549</b>
<b>Corporate Budgets</b>					
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
<b>Sub-Total</b>	<b>1,211</b>	<b>1,181</b>	<b>1,678</b>	<b>1,777</b>	<b>1,778</b>
<b>Financial Planning</b>					
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
<b>Sub-Total</b>	<b>0</b>	<b>(3,902)</b>	<b>(459)</b>	<b>(2,621)</b>	<b>(1,898)</b>
<b>Total Net Expenditure</b>	<b>14,262</b>	<b>11,761</b>	<b>13,520</b>	<b>11,560</b>	<b>12,428</b>
<b>Planned Use of Reserves</b>					
Contributions to reserves	0	3,157	1,082	2,782	157
Contributions from reserves	(886)	(2,089)	(100)	(200)	(200)
<b>Sub-Total</b>	<b>(886)</b>	<b>1,068</b>	<b>982</b>	<b>2,582</b>	<b>(43)</b>
<b>Funding</b>					
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
<b>Sub-Total</b>	<b>(13,629)</b>	<b>(13,669)</b>	<b>(13,144)</b>	<b>(12,530)</b>	<b>(12,501)</b>
Total Funding & Use of Reserves	(14,515)	(12,601)	(12,162)	(9,948)	(12,544)
<b>Gap</b>	<b>(253)</b>	<b>(841)</b>	<b>1,358</b>	<b>1,612</b>	<b>(116)</b>
<b>Reserves - opening balances</b>					
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)
<b>Council Tax Rate Calculation</b>					
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)
<b>TOTAL</b>	<b>(40)</b>	<b>(594)</b>	<b>(124)</b>	<b>(95)</b>	<b>(853)</b>

- 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**:

<b>Capital Programme 2017-21</b>	<b>2017/18 Revised £000s</b>	<b>2018/19 Original £000s</b>	<b>2019/20 Original £000s</b>	<b>2020/21 Original £000s</b>
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
<b>Annual Capital Investment Programme</b>	<b>53,882</b>	<b>31,166</b>	<b>21,448</b>	<b>17,302</b>
<b>Total Capital Investment Programme 2017-21</b>		<b>123,798</b>		

- 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.

### REPORT PREPARED BY:

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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
<b>Community &amp; Environmental</b>				
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
<b>Total</b>	<b>(84,310)</b>	<b>(34,310)</b>	<b>(34,310)</b>	<b>(152,930)</b>
<b>Democracy &amp; Governance</b>				
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
<b>Total</b>	<b>78,000</b>	<b>78,000</b>	<b>78,000</b>	<b>234,000</b>
<b>Place Shaping &amp; Performance</b>				
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)
<b>Total</b>	<b>123,825</b>	<b>401,755</b>	<b>396,755</b>	<b>922,335</b>
<b>Corporate Strategy &amp; Comms</b>				
Budgets not required	(9,550)	(9,550)	(9,550)	(28,650)
<b>Total</b>	<b>(9,550)</b>	<b>(9,550)</b>	<b>(9,550)</b>	<b>(28,650)</b>
<b>Strategic Finance</b>				
Reduction in staffing costs of revenue & benefits due to restructure	(62,090)	(62,090)	(62,090)	(186,270)
<b>Total</b>	<b>(62,090)</b>	<b>(62,090)</b>	<b>(62,090)</b>	<b>(186,270)</b>
<b>Grand Total</b>	<b>45,875</b>	<b>373,805</b>	<b>368,805</b>	<b>788,485</b>

**Unavoidable Growth**

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



**Discretionary Growth**

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

**Efficiency Savings**

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

**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	<b>Waste and Recycling Vehicle Replacement</b> - 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	<b>River Colne Restoration &amp; Improvement Programme</b> - 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	<b>Cassiobury Park Car Park Improvements</b> - 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	<b>Cemetery reprovision project</b> - 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	<b>North Watford Cemetery Lodge Extension and toilet refurbishment</b> - 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	<b>Garston Park Improvements</b> - 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	<b>Hérons F.C.</b> - 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	<b>Leisure Management</b> - 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	<b>Idox General Data Protection Regulation (GDPR)</b> - 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	<b>Watford Tennis Partnership - Transforming British Tennis Together</b> - 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	<b>Town Hall Redevelopment</b> - 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	<b>Watford Junction</b> - 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	<b>Watford 3D Planning Model</b> - 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	<b>Watford Junction Public Realm Improvements</b> - 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	<b>High Street Phase 2 (One Bell St Marys church area)</b> - 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	<b>High Street Public Realm Improvements</b> - 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
		<b>6,204,700</b>	<b>13,771,000</b>	<b>1,022,000</b>	<b>(25,000)</b>	<b>(63,000)</b>	<b>(63,000)</b>	<b>(63,000)</b>

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
<b>COMMUNITY &amp; ENVIRONMENTAL</b>						
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.
	<b>(1,149,330)</b>	<b>(1,107,741)</b>	<b>41,589</b>	<b>(1,198,950)</b>	<b>(91,209)</b>	
<b>SERVICE TRANSFORMATION</b>						
Customer Services (including Information Unit)	(12,500)	(15,000)	(2,500)	(12,500)	2,500	
	<b>(12,500)</b>	<b>(15,000)</b>	<b>(2,500)</b>	<b>(12,500)</b>	<b>2,500</b>	
<b>PLACE SHAPING &amp; PERFORMANCE</b>						
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	
	<b>(3,165,900)</b>	<b>(3,055,900)</b>	<b>110,000</b>	<b>(3,412,010)</b>	<b>(356,110)</b>	
<b>DEMOCRACY &amp; GOVERNANCE</b>						
Town Hall Facilities	(273,300)	(214,300)	59,000	(214,300)	0	
Elections Unit	(3,500)	(3,500)	0	(3,500)	0	
	<b>(276,800)</b>	<b>(217,800)</b>	<b>59,000</b>	<b>(217,800)</b>	<b>0</b>	
<b>STRATEGIC FINANCE</b>						
Council Tax (Single Person Discount)	(2,000)	(2,000)	0	(2,000)	0	
	<b>(2,000)</b>	<b>(2,000)</b>	<b>0</b>	<b>(2,000)</b>	<b>0</b>	
Sub Total	<b>(4,606,530)</b>	<b>(4,398,441)</b>	<b>208,089</b>	<b>(4,843,260)</b>	<b>(444,819)</b>	
Less : Parking - Controlled Parking Zones (v see above)	1,341,900	1,341,900	0	1,440,000	98,100	
Total	<b>(3,264,630)</b>	<b>(3,056,541)</b>	<b>208,089</b>	<b>(3,403,260)</b>	<b>(346,719)</b>	

**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
<b>Capital Reserves</b>										
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
<b>Total</b>	<b>(19,181)</b>	<b>7,293</b>	<b>(11,888)</b>	<b>0</b>	<b>(11,888)</b>	<b>0</b>	<b>(11,888)</b>	<b>0</b>	<b>(11,888)</b>	
<b>Revenue Reserves</b>										
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
<b>Total</b>	<b>(9,674)</b>	<b>(2,392)</b>	<b>(12,066)</b>	<b>(2,912)</b>	<b>(14,978)</b>	<b>(970)</b>	<b>(15,948)</b>	<b>(73)</b>	<b>(16,021)</b>	
<b>General Fund Working Balance</b>	<b>(1,412)</b>	<b>0</b>	<b>(1,412)</b>	<b>(588)</b>	<b>(2,000)</b>	<b>0</b>	<b>(2,000)</b>	<b>0</b>	<b>(2,000)</b>	Prudent increase to £2m
<b>Total Revenue Reserves</b>	<b>(11,086)</b>	<b>(2,392)</b>	<b>(13,478)</b>	<b>(3,500)</b>	<b>(16,978)</b>	<b>(970)</b>	<b>(17,948)</b>	<b>(73)</b>	<b>(18,021)</b>	
<b>Total</b>	<b>(30,267)</b>	<b>4,901</b>	<b>(25,366)</b>	<b>(3,500)</b>	<b>(28,866)</b>	<b>(970)</b>	<b>(29,836)</b>	<b>(73)</b>	<b>(29,909)</b>	

**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
<b>Chargeable Dwellings (H)</b>	<b>2.0</b>	<b>447.0</b>	<b>4117.0</b>	<b>14227.0</b>	<b>12481.5</b>	<b>3552.5</b>	<b>2130.0</b>	<b>1878.0</b>	<b>77.0</b>	<b>38912.0</b>
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
<b>Discount Deduction (Q)</b>	<b>0.0</b>	<b>56.5</b>	<b>587.8</b>	<b>1250.3</b>	<b>775.0</b>	<b>179.3</b>	<b>90.8</b>	<b>64.8</b>	<b>4.8</b>	<b>3009.0</b>
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
<b>Total Adjustments (J)</b>	<b>0.0</b>	<b>35.0</b>	<b>153.0</b>	<b>252.0</b>	<b>118.0</b>	<b>9.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>	<b>575.0</b>
<b>Sub-Total (H-Q+J)</b>	<b>2.0</b>	<b>425.5</b>	<b>3682.3</b>	<b>13228.8</b>	<b>11824.5</b>	<b>3382.3</b>	<b>2043.3</b>	<b>1817.3</b>	<b>72.3</b>	<b>36478.0</b>
<b>Reduction Scheme (Z)</b>	<b>0.0</b>	<b>69.2</b>	<b>869.2</b>	<b>1697.2</b>	<b>1054.8</b>	<b>182.0</b>	<b>42.2</b>	<b>15.5</b>	<b>0.0</b>	<b>3930.1</b>
<b>Net Dwellings ((H-Q+J)-Z)</b>	<b>2.0</b>	<b>356.3</b>	<b>2813.1</b>	<b>11531.6</b>	<b>10769.7</b>	<b>3200.3</b>	<b>2001.1</b>	<b>1801.8</b>	<b>72.3</b>	<b>32547.9</b>
<b>Band Proportion (F)</b>	<b>5.0</b>	<b>6.0</b>	<b>7.0</b>	<b>8.0</b>	<b>9.0</b>	<b>11.0</b>	<b>13.0</b>	<b>15.0</b>	<b>18.0</b>	
<b>Band D Proportion (G)</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	
<b>Band D Equivalents</b>	<b>1.1</b>	<b>237.5</b>	<b>2187.9</b>	<b>10250.3</b>	<b>10769.7</b>	<b>3911.4</b>	<b>2890.4</b>	<b>3002.9</b>	<b>144.5</b>	<b>33395.8</b>
<b>TAX BASE CALCULATION</b>										
Total Band D Equivalents						33395.8				
Collection Rate						97.00%				
Adjusted Band D						32393.9				
Contribution in Lieu						0.0				
Tax Base						32393.9				

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Capital Programme

Capital Scheme	Revised Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
	£	(incl rephasings) £	(incl rephasings) £	(incl rephasings) £
<b>SERVICE TRANSFORMATION</b>				
<b>Customer Services</b>				
CSI Project	53,000	114,477	0	0
<b>ICT Shared Services</b>				
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
<b>ICT Client Services</b>				
ICT-Hardware Replacement Programme	397,992	200,000	200,000	200,000
ICT-Project Management Provision	220,126	120,000	120,000	120,000
<b>COMMUNITY &amp; ENVIRONMENTAL</b>				
<b>Waste &amp; Recycling (inc Veolia)</b>				
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
<b>Parks &amp; Open Spaces</b>				
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



<b>Cemeteries</b>				
Cemetery Improvements	0	250,000	0	0
<b>Leisure &amp; Play</b>				
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
<b>Culture &amp; Heritage</b>				
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
<b>Environmental Health</b>				
ICT-Env Health	5,500	0	0	0
Decent Homes Assistance	124,367	145,000	100,000	100,000
<b>DEMOCRACY &amp; GOVERNANCE</b>				
<b>Buildings &amp; Projects</b>				
MP19-6 Town Hall Redevelopment	130,000	0	0	0
Building Investment Programme	625,000	750,243	675,000	400,000
<b>PLACE SHAPING &amp; PERFORMANCE</b>				
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
<b>Housing</b>				
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
<b>Transport &amp; Infrastructure</b>				
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

<b>Development Control</b>				
CIL Review	30,000	50,000	0	0
<b>Property Investment Board</b>				
PIB Investment Strategy	24,076,413	0	0	0
<b>Property Management</b>				
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
<b>STRATEGIC FINANCE</b>				
<b>Capital Support Services</b>				
Support Services	552,470	552,470	552,470	552,470
Major Projects - FBP and QS	123,000	125,000	127,000	127,000
<b>Business Systems</b>				
Financial Systems Upgrade	87,000	0	0	0
<b>TOTAL CURRENT CAPITAL PROGRAMME</b>	<b>53,882,364</b>	<b>24,961,159</b>	<b>7,677,280</b>	<b>16,280,280</b>
<b>CAPITAL GROWTH REQUESTS BY SERVICE</b>				
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
<b>Total</b>	<b>0</b>	<b>6,204,700</b>	<b>13,771,000</b>	<b>1,022,000</b>
<b>TOTAL PROPOSED CAPITAL PROGRAMME</b>	<b>53,882,364</b>	<b>31,165,859</b>	<b>21,448,280</b>	<b>17,302,280</b>

#### 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
<b>Total</b>	<b>8,113,072</b>	<b>10,930,713</b>	<b>3,281,000</b>	<b>14,159,000</b>

**Capital Funding (for approved and proposed capital programme)**

<b>FUNDING TYPE</b>	<b>2017/18</b>	<b>Budget 2018/19</b>	<b>Budget 2019/20</b>	<b>Budget 2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
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
<b>TOTAL CAPITAL FUNDING APPLIED</b>	<b>(53.9)</b>	<b>(31.0)</b>	<b>(21.4)</b>	<b>(9.5)</b>

**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						
			<b>Likelihood</b>	<b>Impact</b>	<b>Overall Score</b>	
			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*

<b>Charging Strategy</b>	<b>Objective</b>
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
<b>COMMUNITY &amp; ENVIRONMENTAL</b>						
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)	
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.
	<b>(1,149,330)</b>	<b>(1,107,741)</b>	<b>41,589</b>	<b>(1,198,950)</b>	<b>(91,209)</b>	
<b>SERVICE TRANSFORMATION</b>						
Customer Services (including Information Unit)	(12,500)	(15,000)	(2,500)	(12,500)	2,500	
	<b>(12,500)</b>	<b>(15,000)</b>	<b>(2,500)</b>	<b>(12,500)</b>	<b>2,500</b>	
<b>PLACE SHAPING &amp; PERFORMANCE</b>						
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	
	<b>(3,165,900)</b>	<b>(3,055,900)</b>	<b>110,000</b>	<b>(3,412,010)</b>	<b>(356,110)</b>	
<b>DEMOCRACY &amp; GOVERNANCE</b>						
Town Hall Facilities	(273,300)	(214,300)	59,000	(214,300)	0	
Elections Unit	(3,500)	(3,500)	0	(3,500)	0	
	<b>(276,800)</b>	<b>(217,800)</b>	<b>59,000</b>	<b>(217,800)</b>	<b>0</b>	
<b>STRATEGIC FINANCE</b>						
Council Tax (Single Person Discount)	(2,000)	(2,000)	0	(2,000)	0	
	<b>(2,000)</b>	<b>(2,000)</b>	<b>0</b>	<b>(2,000)</b>	<b>0</b>	
Sub Total	<b>(4,606,530)</b>	<b>(4,398,441)</b>	<b>208,089</b>	<b>(4,843,260)</b>	<b>(444,819)</b>	
Less : Parking - Controlled Parking Zones (v see above)	1,341,900	1,341,900	0	1,440,000	98,100	
Total	<b>(3,264,630)</b>	<b>(3,056,541)</b>	<b>208,089</b>	<b>(3,403,260)</b>	<b>(346,719)</b>	

**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			
<b>Standard rated &amp; inclusive of VAT</b>									
<b>PARKS &amp; SPORTS PITCHES</b>									
<b>CRICKET</b>									
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 %	
<b>FOOTBALL</b>									
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 %	
<b>HURLING/RUGBY</b>									
Per match including corner flags	£50.00	x	x	✓	x	x	£52.00	4.00 %	
<b>Exempt from VAT</b>									
<b>FOOTBALL</b>									
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 %	
<b>FOOTBALL TRAINING</b>									
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 %	
<b>PARKS &amp; SPORTS PITCHES</b>									
<b>BOWLS</b>									
Club hire of rinks (per season)	£1,100.00	x	x	✓	x	x	£1,135.00	3.18 %	
<b>CRICKET</b>									
Enclosed wicket (per season)	£3,000.00	x	x	✓	x	x	£3,100.00	3.33 %	
<b>CROQUET</b>									
Seasonal charges :-									
Adults	£50.00	x	x	✓	x	x	£52.00	4.00 %	
OAPs	£25.00	x	x	✓	x	x	£26.00	4.00 %	
<b>TENNIS - club charges</b>									
Hire of court per season (May-Sept inc)	£1,150.00	x	x	✓	x	x	£1,185.00	3.04 %	
<b>Zero Rated</b>									
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
<b>SALES</b>							
<b>FEES &amp; CHARGES</b>							
<b>LAND &amp; PROPERTY BASED CHARGES</b>							
KPS000-10901 - Rent	(8,000)	(8,000)	(8,240)	3		(8,240)	(8,240)
KPS000-10902 - Rent - Advertising Site	(7,000)	(7,000)	(7,220)	3		(7,220)	(7,220)
KPS000-10906 - 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			
<b>HIRE OF FACILITIES</b>									
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
<b>FEES &amp; CHARGES</b>							
JCE000-I0650 - Centrepoint CC - Room Hire	(19,000)	(19,000)	(10,000)	(47)		(10,000)	(10,000)
<b>LAND &amp; PROPERTY BASED CHARGES</b>							
DHE000-I0901 - Woodside CC - Rent	(4,500)	(4,500)	(4,500)	NO CHANGE		(4,500)	(4,500)
	<b>(23,500)</b>	<b>(23,500)</b>	<b>(14,500)</b>			<b>(14,500)</b>	<b>(14,500)</b>

**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			
<b>Outside Scope for VAT purposes</b>									
<b>Allotments</b> Per pole per annum  50% reduction for the disabled and those in receipt of income related benefit	£5.00	x	x	✓	x	x	£5.10	2.00 %	

**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			
<b>Standard rated &amp; inclusive of VAT</b>									
<b>CHESLYN GARDENS</b>									
Hire of garden for wedding photos	£35.00	x	x	✓	x	x	£40.00	14.29 %	
<b>Exempt from VAT</b>									
<b>CHESLYN HOUSE</b>									
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 %	
<b>PARKS - GENERAL</b>									
<b>HIRE OF FACILITIES</b>									
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	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
<b>FEES &amp; CHARGES</b>							
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			
<b>Outside Scope for VAT purposes</b>									
<b>Kerbs</b>									
* 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	
<b>Vases</b>									
* 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 %	
<b>THE FEES INDICATED FOR THE VARIOUS HEADS OF THIS PART INCLUDE THE ORIGINAL INSCRIPTION(S) WHEN THE MEMORIAL IS APPROVED</b>									
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									
<b>Standard rated &amp; exclusive of VAT</b>									
<b>PART 4 Miscellaneous</b>									
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 %	
<b>Outside Scope for VAT purposes</b>									
<b>PART 5 Maintenance of Grave spaces</b>									
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									
<b>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</b>									

**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			
<b>Outside Scope for VAT purposes</b>									
If the deceased has lived away from the Watford area for less than 60 months the Resident charge will be made									
<b>TABLE OF FEES</b>									
<b>PART 1</b>									
<b>Exclusive rights of burial in earthen grave</b>									
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 %	
<b>Walled graves &amp; vaults:</b>									
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 %	
<b>The Garden of Rest</b>									
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 %	
<b>The Garden of Remembrance</b>									
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 %	
<b>CHILDREN'S SECTION</b>									
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	
<b>PART 2</b>									
<b>Interments - the fees indicated for various heads :-</b>									
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 %	
<b>For an interment in a grave in respect of which an exclusive right of burial HAS been granted :-</b>									
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 %	
<b>For an interment in a grave in respect of which an exclusive right of burial HAS NOT been granted :-</b>									
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 %	
<b>PART 3</b>									
<b>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</b>									
<b>Headstones, or any other type of monument</b>									
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			
<b>Outside Scope for VAT purposes</b>								
If the deceased has lived away from the Watford area for less than 60 months the Resident charge will be made								
<b>PART 1</b>								
<b>Exclusive rights of burial in earthen grave</b>								
Exclusive right of burial for 50 yrs in an earthen grave on all sections including Muslim section	£3,975.00	*	*	✓	*	£4,100.00	3.14 %	
<b>Walled graves &amp; vaults:</b>								
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	*	*	✓	*	£7,500.00	2.18 %	
<b>The Garden of Rest</b>								
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	*	*	✓	*	£1,950.00	1.30 %	
<b>The Garden of Remembrance</b>								
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	*	*	✓	*	£1,750.00	4.17 %	
<b>CHILDREN'S SECTION</b>								
For the exclusive right of burial for 50 years 4ft x 2ft	£300.00	*	*	✓	*	£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	*	*	✓	*	£630.00	3.28 %	
<b>PART 2</b>								
<b>Interments - the fees indicated for various heads :-</b>								
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	*	*	✓	*	£250.00	2.04 %	
<b>For an interment in a grave in respect of which an exclusive right of burial HAS been granted :-</b>								
a) All sections	£2,065.00	*	*	✓	*	£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	*	*	✓	*	£170.00	3.03 %	
c) caskets including extra digging required	£2,700.00	*	*	✓	*	£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	*	*	✓	*	£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	*	*	✓	*	£38.00	NO CHANGE	
f) Non viable foetus burial	£38.00	*	*	✓	*	£38.00	NO CHANGE	
g) Shrouded burial fee	£285.00	*	*	✓	*	£290.00	1.75 %	
<b>For an interment in a grave in respect of which an exclusive right of burial HAS NOT been granted :-</b>								
a) For a stillborn child, or child whose age at the time of death did not exceed 1 month	£38.00	*	*	✓	*	£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	*	*	✓	*	£100.00	NO CHANGE	
c) For a child over 5 years or an adult	£825.00	*	*	✓	*	£850.00	3.03 %	
<b>PART 3</b>								
<b>Fees for memorial work &amp; 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</b>								
<b>Outside Scope for VAT purposes</b>								
<b>PART 3</b>								
<b>Fees for memorial work &amp; 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</b>								
<b>Headstone, or any other type of monument</b>								
a) Not exceeding 3ft 6inc in height	£610.00	*	*	✓	*	£620.00	1.64 %	
b) Not exceeding 2ft 6inc in the Garden of rest and in the children's section	£305.00	*	*	✓	*	£315.00	3.28 %	
c) Garden of Remembrance - as approved-sole design allowed	£275.00	*	*	✓	*	£280.00	1.82 %	
<b>LEDGERS</b>								
* A ledger not exceeding 7ft x 3ft	£300.00	*	*	✓	*	£310.00	3.33 %	
<b>KERBS</b>								
* a) Enclosing a space not exceeding 7ft x 3ft	£300.00	*	*	✓	*	£310.00	3.33 %	
* b) Enclosing a space not exceeding 4ft x 2ft in the Garden of Rest and children's Section	£150.00	*	*	✓	*	£155.00	3.33 %	
<b>Vases</b>								
* For each vase, maximum size 12" x 12" x 12"	£90.00	*	*	✓	*	£100.00	11.11 %	
a) separate, or as an addition to a headstone, not exceeding 18" x 12"	£150.00	*	*	✓	*	£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	*	*	✓	*	£310.00	3.33 %	
* Complete memorial, consisting of headstone and kerbs	£1,050.00	*	*	✓	*	£1,100.00	4.76 %	
<b>MEMORIAL BENCHES</b>								
David Ogilvie Steel bench - supply and install with plaque	£2,000.00	✓	*	*	*	£2,000.00	NO CHANGE	
Plaque on existing bench - supply and install with maintenance	£250.00	✓	*	*	*	£250.00	NO CHANGE	
<b>MEMORIAL TREES</b>								
Supply and plant Standard tree with 5 years maintenance	£1,000.00	✓	*	*	*	£1,000.00	NO CHANGE	
<b>THE FEES INDICATED FOR THE VARIOUS HEADS OF THIS PART INCLUDED THE ORIGINAL INSCRIPTION(S) WHEN THE MEMORIAL IS APPROVED</b>								
Fees for each subsequent inscription to an existing memorial	£60.00	*	*	✓	*	£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			
<b>Standard rated &amp; exclusive of VAT</b>								
* Any other replacement works not covered by above								
<b>* GRAVE SPACES PURCHASED PRIOR TO 1ST APRIL 1981 ONLY</b>								
<b>PART 4</b>								
<b>Miscellaneous</b>								
The Burial Register - fee for transfer of grave grant for the exclusive right of burial	£41.00	*	*	✓	*	*	£42.00	2.44 %
Fee for the searches of Burial Register and for copies of extract to be taken there from	£56.00	*	*	✓	*	*	£60.00	7.14 %
Fee for the use of the Chapel	£382.00	*	*	✓	*	*	£400.00	4.71 %
<b>PART 5</b>								
<b>Outside Scope for VAT purposes</b>								
<b>Maintenance of Grave spaces</b>								
Turfing a grave	£100.00	*	*	✓	*	*	£110.00	10.00 %
Partial burying of headstone following failure of safety test	£125.00	*	*	✓	*	*	£130.00	4.00 %
Supply soil for memorial inset	£100.00	*	*	✓	*	*	£110.00	10.00 %
* Any other replacement works not covered by above								
<b>NOTE:</b>								
<b>Memorials can now be placed on graves of stillborn children</b>								
<b>FREE of CHARGE Size: 12" x 12" x 2". To be laid flat on grave surface</b>								
<b>PART6</b>								
<b>Weekend Burials</b>								
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
<b>FEES &amp; CHARGES</b>							
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)
<b>LAND &amp; PROPERTY BASED CHARGES</b>							
KNA000-I0901 - Rent	(6,000)	(6,000)	(6,000)	NO CHANGE		(6,000)	(6,000)
	<b>(307,500)</b>	<b>(314,500)</b>	<b>(368,500)</b>			<b>(368,500)</b>	<b>(368,500)</b>

## 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	
<b>Standard rated &amp; incl of VAT if applicable</b>											
<b>Main Hall / Dry Side Activities :-</b>											
Half hall hire - Woodside - Adult	£61.00	✓	✗	✗	✗	✗	£63.00	3.28 %	N	N	fees increased inline with leisure contract
- 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	
<b>Parties with food, party leader up to 16 kids</b>											
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	
<b>Parties (self catering, party leader, up to 16 kids)</b>											
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	
<b>Junior Activities</b>											
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 STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Affected By		Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			2018/19		
									SAVINGS PROPOSAL	GROWTH PROPOSAL	
		Y or N									
<b>Standard rated &amp; incl of VAT if applicable</b>											
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	
<b>Equipment purchase :-</b>											
Squash balls	£2.50	✓	✗	✗	✗	✗	£2.55	2.00 %	N	N	
Shuttlecocks	£2.25	✓	✗	✗	✗	✗	£2.30	2.22 %	N	N	
<b>Meetings :-</b>											
Conference Room & Executive Suite (WLC)	20.00 - 26.00	✓	✗	✗	✗	✗	21.00 - 27.00	no change	N	N	
<b>Studios :-</b>											
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	
<b>Woodside Stadium :-</b>											
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	
<b>Season Tickets adults - Summer</b>											
- Winter	£87.00	✓	✗	✗	✗	✗	£89.00	2.30 %	N	N	
- Yearly	£66.00	✓	✗	✗	✗	✗	£67.50	2.27 %	N	N	
<b>Season Tickets junior - Summer</b>											
- Winter	£126.00	✓	✗	✗	✗	✗	£129.00	2.38 %	N	N	
- Yearly	£40.50	✓	✗	✗	✗	✗	£41.50	2.47 %	N	N	
<b>Athletics Meet (Up to 8 hours Mon - Fri up to 5pm)</b>											
Athletics Meet (Up to 8 hours Weekend or Bank Holiday)	£30.50	✓	✗	✗	✗	✗	£31.25	2.46 %	N	N	
Athletics Meet (Up to 4 hours Midweek evening from 6pm)	£60.50	✓	✗	✗	✗	✗	£62.00	2.48 %	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	
<b>Harriers Charges</b>											
Hire for training/coaching purposes, day time inc 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	
<b>Block Booking (standard price less VAT where bookings are 10 consecutive weeks or more)</b>											
ATP 1x5v5 - Adult	£35.50	✓	✗	✗	✗	✗	£36.50	2.82 %	N	N	
ATP 1x5v5 - Junior	£18.50	✓	✗	✗	✗	✗	£19.00	2.70 %	N	N	
Badminton Clubs - Adult	£12.30	✓	✗	✗	✗	✗	£12.65	2.85 %	N	N	
Sports Activity - Adult	£47.50	✓	✗	✗	✗	✗	£48.75	2.63 %	N	N	
- Junior	£24.00	✓	✗	✗	✗	✗	£24.70	2.92 %	N	N	
Cricket (Nets only) - Adult	£49.50	✓	✗	✗	✗	✗	£50.75	2.53 %	N	N	
- Junior		✓	✗	✗	✗	✗			N	N	
Treatment room 1 (per month)	£0.00	✓	✗	✗	✗	✗	£0.00	no change	N	N	
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	
<b>Gala Prices</b>											
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
<b>Standard rated &amp; incl of VAT if applicable</b>											
<b>Main Hall / Dry Side Activities :-</b>											
Badminton - Adult	£14.60	✓	✗	✗	✗	✗	£15.10	3.42 %	N	N	fees increased inline with leisure contract
- Junior (8-4 weekdays and 8 - close weekends)	£7.30	✓	✗	✗	✗	✗	£7.55	3.42 %	N	N	
Drop-in Adult (Friday night)	£7.30	✓	✗	✗	✗	✗	£7.55	3.42 %	N	N	
Drop-in Junior	£6.65	✓	✗	✗	✗	✗	£6.85	3.01 %	N	N	
	£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 %	N	N	
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	
<b>Parties :-</b>											
Children's Activities											
Creche - 1 hour	£3.20	✓	✗	✗	✗	✗	£3.30	3.12 %	N	N	
- 2 hours	£5.40	✓	✗	✗	✗	✗	£5.60	3.70 %	N	N	
<b>Courses :-</b>											
Sports Course Junior - Dry	£5.75	✓	✗	✗	✗	✗	£6.50	13.04 %	N	N	
Swimming Lessons Junior - Wet	£5.85	✓	✗	✗	✗	✗	£6.50	11.11 %	N	N	
<b>Fitness Activities :-</b>											
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	
<b>Toning Chairs :-</b>											
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	
<b>Swimming :-</b>											
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	
<b>Memberships (direct debits) :-</b>											
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			
<b>Standard rated &amp; incl of VAT if applicable</b>									
Watford Borough Council - Monthly	£27.00	✓	✗	✗	✗	✗	£27.00	NO CHANGE	Fees increased inline with leisure contract
- Annual	£270.00	✓	✗	✗	✗	✗	£270.00	NO CHANGE	
Watford Harriers - Monthly	£31.00	✓	✗	✗	✗	✗	£31.00	NO CHANGE	
- Annual	£310.00	✓	✗	✗	✗	✗	£310.00	NO CHANGE	
<b>Pool hire - standard charge :-</b>									
Watford Woodside - Main pool (4 lanes)	£58.00	✓	✗	✗	✗	✗	£60.00	3.45 %	
Watford Woodside - Main pool (whole)	£115.00	✓	✗	✗	✗	✗	£119.00	3.48 %	
Watford Central - Main pool (3 lanes)	£50.00	✓	✗	✗	✗	✗	£51.50	3.00 %	
Watford Central - Main pool (whole)	£100.00	✓	✗	✗	✗	✗	£103.00	3.00 %	
<b>Pool hire - Club / School rate :-</b>									
We have agreed to hold Club rates for 2 years									
Watford Woodside - Main pool (4 lanes)	£50.00	✓	✗	✗	✗	✗	£51.50	3.00 %	
Watford Woodside - Main pool (whole)	£100.00	✓	✗	✗	✗	✗	£103.00	3.00 %	
Watford Central - Main pool (3 lanes)	£44.00	✓	✗	✗	✗	✗	£45.35	3.07 %	
Watford Central - Main pool (whole)	£87.00	✓	✗	✗	✗	✗	£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
<b>FEES &amp; CHARGES</b>							
DLM000-10630 - Service Provider	(237,000)	(237,000)	(237,000)	NO CHANGE	Increased management fee payable from 2018/19 - shown separately in the budget setting report	(237,000)	(237,000)
DLM000-10630-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			
<b>Outside Scope &amp; exclusive of VAT</b>									
<b>TRADE WASTE</b>									
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 %	
<b>ADDITIONAL DOMESTIC COLLECTION SCENARIO</b>									
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 %	
<b>DOMESTIC WASTE</b>									
Delivery of recycling boxes and wheeled bins	£5.50	*	*	✓	*	*	£5.65	2.73 %	
<b>DOMESTIC SACKS</b>									
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
<b>WASTE BINS FOR NEW DEVELOPMENTS</b>					
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	

**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
<b>SALES</b>							
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)
<b>FEES &amp; CHARGES</b>							
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			
<b>Where Commercial Special Collections are made, the charge would be subject to VAT at the Standard rate.</b> <b>Where Household Special Collections are made, the charge would be Outside Scope for VAT purposes.</b>									
<b>SPECIAL COLLECTIONS</b>									
Up to four 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
Up to 3 bulky items									
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	
<b>ABANDONED SHOPPING TROLLEY (Non prescribed statutory charges) (Outside Scope for VAT)</b>									
<b>Seizure</b>									
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 %	
<b>Storage</b>									
Trolleys not collected within the statutory 6 week disposal notice period - per trolley	£7.20	✓	✓	x	x	✓	£7.40	2.78 %	
<b>ABANDONED SHOPPING TROLLEY (Non statutory charges) (Standard Rated for VAT)</b>									
Requested return delivery charge - per trolley	Quotation	✓	✓	x	x	x	Quotation	NO CHANGE	
<b>GRAFFITI &amp; FLY POSTER REMOVAL (Statutory Duty - Outside Scope for VAT) (Non Statutory Duty - Standard Rated for VAT)</b>									
<b>GRAFFITI REMOVAL</b>									
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	
<b>FLYPOSTER REMOVAL</b>									
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
<b>FEES &amp; CHARGES</b>							
KMF000-10532 - Fees - Bulky Domestic	(79,640)	(43,280)	(43,280)	(46)	Budget set too high - double counted	(43,930)	(43,930)
KSC000-10537 - 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			
<b>Exempt from VAT</b>								
Workshops	£8.00	x	✓	x	x	£8.00	NO CHANGE	
Ghost walks	£8.00	x	✓	x	x	£8.00	NO CHANGE	
High street trail	£4.50	x	✓	x	x	£4.50	NO CHANGE	
Study day	£12.00	x	✓	x	x	£15.00	25.00 %	
Group talk or trail	£4.50	x	✓	x	x	£4.50	NO CHANGE	
Community use of one space (per hour) days	£17.00	x	✓	x	x	£18.00	5.88 %	
Community use of one space (per hour) eve *	£32.00	x	✓	x	x	£33.00	3.13 %	
Community use of one space (per hour) Sun *	£40.00	x	✓	x	x	£42.00	5.00 %	
Private/commercial (per hour) days	£40.00	✓	x	x	x	£42.00	5.00 %	
Private/commercial (per hour) eve *	£50.00	✓	x	x	x	£52.00	4.00 %	
Private/commercial (per hour) Sun *	£80.00	✓	x	x	x	£82.00	2.50 %	
* Additional charge for staff time applicable (charged @ £30 per hour x 2 staff)								
<b>Standard rated &amp; inclusive of VAT</b>								
Percentage share to Museum on artist sales	32.00%	✓	x	x	x	33%	3.13 %	
Percentage share to Museum on foyer sales	12.00%	✓	x	x	x	12%	NO CHANGE	
Photocopying per sheet	£0.15	x	✓	x	x	£0.20	33.33 %	
Museum digitised images (per image)	£5.75	x	✓	x	x	£6.00	4.35 %	
Museum digitised images CD charge	£3.75	x	✓	x	x	£4.00	6.67 %	
Museum un digitised images incurring an hourly scanning rate	£15.75	x	✓	x	x	£17.00	7.94 %	
Reproduction image one country one language (non commercial)	£30.00	✓	x	x	x	£32.00	6.67 %	
Reproduction image world right inc web (non commercial)	£40.00	✓	x	x	x	£42.00	5.00 %	
Reproduction image one country one language (commercial)	£60.00	✓	x	x	x	£62.00	3.33 %	
Reproduction image world right inc web (commercial)	£80.00	✓	x	x	x	£82.00	2.50 %	
<b>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.</b>								
<b>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.</b>								
Admin Fee	£130.00	✓	x	x	x	£140.00	7.69 %	
Up to 1 Hour	£275.00	✓	x	x	x	£280.00	1.82 %	
1- 4 Hours	£600.00	✓	x	x	x	£615.00	2.50 %	
4-6 Hours	£900.00	✓	x	x	x	£915.00	1.67 %	
6 Hours and over (Whole Day)	£1,300.00	✓	x	x	x	£1,400.00	7.69 %	
Use of KGV Car Park	£700.00	✓	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
<b>SALES</b>							
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)
<b>FEES &amp; CHARGES</b>							
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**

Description	2017/18 Charge	PRICING STRATEGY					Proposed 2018/19 Charge	Annual Increase / Decrease (-) %	Comments
		COMMERCIAL	FULL COST REC	SUBSIDISED	FREE	STATUTORY			
<b>Outside Scope for VAT purposes</b>									
<b>Taxi &amp; Private Hire Vehicle Licences</b>									
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
<b>Street Trading</b>									
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 %	
<b>Permit for Tables &amp; Chairs on the Highway</b>									
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 %	
<b>Free Printed Matter Distribution</b>									
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
<b>SALES</b>							
EGA000-10101 - Miscellaneous Sales	(2,000)	(2,000)	(3,000)	50		(3,000)	(3,000)
<b>FEES &amp; CHARGES</b>							
EGA000-10541 - Drivers' Licences (Private Hire)	(3,000)	(5,821)	(8,000)	167		(10,000)	(10,000)
EGA000-10542 - Vehicle Licences (Private Hire)	(37,000)	(37,000)	(37,000)	NO CHANGE		(40,000)	(40,000)
EGA000-10543 - Operator Licences (Private Hire)	(2,000)	(3,147)	(2,000)	NO CHANGE		(2,000)	(2,000)
EGA000-10545 - Drivers' Licences (Hackney Carriage)	(34,000)	(48,000)	(66,000)	94	3 yearly licence so budgets vary	(56,000)	(32,000)
EGA000-10546 - Vehicle Licences (Hackney Carriage)	(65,000)	(65,023)	(65,000)	NO CHANGE		(65,000)	(65,000)
EGA000-10548 - Fees - Drivers' Tests	(6,000)	(6,000)	(6,000)	NO CHANGE		(6,000)	(6,000)
EGA000-10549 - 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			
<b>Outside Scope for VAT purposes</b>									
<b>Sex Establishment Licence</b>									
Grant of Licence	£504.00	*	✓	*	*	*	£516.00	2.38 %	
Annual renewal fee	£126.00	*	✓	*	*	*	£129.00	2.38 %	
<b>Sexual Entertainment Venue Licence</b>									
Application for grant of licence	£599.00	*	✓	*	*	*	£614.00	2.50 %	
Renewal of licence	£221.00	*	✓	*	*	*	£226.00	2.26 %	
Major variations (at officer's discretion)	£485.00	*	✓	*	*	*	£497.00	2.47 %	
Minor variations (at officer's discretion)	£107.00	*	✓	*	*	*	£109.50	2.34 %	
<b>Skin Piercing</b>									
Operator (each)	£50.00	*	✓	*	*	*	£51.25	2.50 %	
Premises	£160.00	*	✓	*	*	*	£164.00	2.50 %	
<b>Special Shop &amp; Other Animal Licences (excl Veterinary fees)</b>									
Pet Shops	£196.95	*	✓	*	*	*	£201.50	2.31 %	
Pet Shops Renewal	£98.48	*	✓	*	*	*	£100.75	2.31 %	
Dangerous Wild Animals	£200.00	*	✓	*	*	*	£205.00	2.50 %	
Zoo Licence	£196.95	*	✓	*	*	*	£201.75	2.44 %	
<b>Animal Boarding / Breeding Establishment annual registration (exc. Home boarding)</b>									
Initial home Boarding registration	£196.95	*	✓	*	*	*	£201.75	2.44 %	
Annual re-registration	£150.00	*	✓	*	*	*	£153.75	2.50 %	
Annual re-registration (home boarding)	£98.48	*	✓	*	*	*	£100.75	2.31 %	
Annual re-registration (home boarding)	£75.00	*	✓	*	*	*	£76.75	2.33 %	
<b>Scrap metal Dealers</b>									
Grant of Licence	£245.48	*	✓	*	*	*	£245.48	NO CHANGE	
Renewal of Licence	£191.50	*	✓	*	*	*	£191.50	NO CHANGE	
Variation of Licence	£51.00	*	✓	*	*	*	£51.00	NO CHANGE	
Change of Name	£51.00	*	✓	*	*	*	£51.00	NO CHANGE	
Change of Site	£51.00	*	✓	*	*	*	£51.00	NO CHANGE	
<b>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.</b>									
<b>CRB checks</b>									
Criminal Records Bureau check for selected licences	£44.00	*	*	*	*	*	£44.00	NO CHANGE	
Fee charged by processing company.	£8.00	*	✓	*	*	*	£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
<b>FEES &amp; CHARGES</b>							
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)
	<b>(21,400)</b>	<b>(21,350)</b>	<b>(27,650)</b>			<b>(27,650)</b>	<b>(27,650)</b>

**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			
<b>Outside Scope for VAT purposes</b>									
<b>GAMBLING ACT 2005</b>									
<b>New applications</b>									
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	
<b>Miscellaneous fees</b>									
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			
<b>Outside Scope for VAT purposes</b>								
<b>GAMBLING ACT 2005</b>								
<b>Annual Fee</b>								
Bingo	£1,000.00	x	✓	x	x	£1,025.00	2.50 %	
Betting (off-course)	£453.00	x	✓	x	x	£464.00	2.43 %	
Betting (track)	£1,000.00	x	✓	x	x	£1,025.00	2.50 %	
Adult Gaming Centre	£1,000.00	x	✓	x	x	£1,025.00	2.50 %	
Family Entertainment Centre	£750.00	x	✓	x	x	£768.00	2.40 %	
Family Entertainment Centre with permit	£300.00	x	✓	x	x	£307.50	2.50 %	
Licensed Premises Gaming Machine Notification	£50.00	x	x	x	✓	£50.00	NO CHANGE	
Licensed Premises Gaming Machine permit	£50.00	x	x	x	✓	£50.00	NO CHANGE	
Club Gaming Permit	£50.00	x	x	x	✓	£50.00	NO CHANGE	
Club Gaming Machine Permit	£50.00	x	x	x	✓	£50.00	NO CHANGE	
Small society lottery	£20.00	x	x	x	✓	£20.00	NO CHANGE	
Prize Gaming Permit	£300.00	x	x	x	✓	£300.00	NO CHANGE	
<b>Licensing Act 2003</b>								
<b>(Statutory fees)</b>								
<b>Premises Licence/Club Premises Application fees</b>								
Rateable value £0-4300	£100.00	x	x	x	✓	£100.00	NO CHANGE	
Rateable value £ 4301 - £33,000	£190.00	x	x	x	✓	£190.00	NO CHANGE	
Rateable value £ 33,001 - £ 87,000	£315.00	x	x	x	✓	£315.00	NO CHANGE	
Rateable value £87001 - £125,000	£450.00	x	x	x	✓	£450.00	NO CHANGE	
Rateable value £125,001 and above	£635.00	x	x	x	✓	£635.00	NO CHANGE	
<b>Premises Licence/Club Premises Annual Fees</b>								
Rateable value £0- £4300	£70.00	x	x	x	✓	£70.00	NO CHANGE	
Rateable value £ 4301 - £33,000	£180.00	x	x	x	✓	£180.00	NO CHANGE	
Rateable value £ 33,001 - £ 87,000	£295.00	x	x	x	✓	£295.00	NO CHANGE	
Rateable value £87001 - £125,000	£320.00	x	x	x	✓	£320.00	NO CHANGE	
Rateable value £125,001 and above	£350.00	x	x	x	✓	£350.00	NO CHANGE	
Replacement licence	£10.50	x	x	x	✓	£10.50	NO CHANGE	
Application for provisional licence	£315.00	x	x	x	✓	£315.00	NO CHANGE	
Change of licence details (name or address)	£10.50	x	x	x	✓	£10.50	NO CHANGE	
Variation of designated premises supervisor	£23.00	x	x	x	✓	£23.00	NO CHANGE	
Transfer of premises licence	£23.00	x	x	x	✓	£23.00	NO CHANGE	
Interim authority notice	£23.00	x	x	x	✓	£23.00	NO CHANGE	
Variation of designated premises supervisor	£23.00	x	x	x	✓	£23.00	NO CHANGE	
Variation of premises	£315.00	x	x	x	✓	£315.00	NO CHANGE	
Minor variation of premises	£89.00	x	x	x	✓	£89.00	NO CHANGE	
Notification of change of name or club rules	£10.50	x	x	x	✓	£10.50	NO CHANGE	
Change of relevant registered address of club	£10.50	x	x	x	✓	£10.50	NO CHANGE	
Temporary event notice	£21.00	x	x	x	✓	£21.00	NO CHANGE	
Replacement temporary event notice	£10.50	x	x	x	✓	£10.50	NO CHANGE	
Application for personal licence	£37.00	x	x	x	✓	£37.00	NO CHANGE	
Replacement personal licence	£10.50	x	x	x	✓	£10.50	NO CHANGE	
Notification of change of name etc for personal licence	£10.50	x	x	x	✓	£10.50	NO CHANGE	
Entry on freeholder register	£21.00	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
<b>FEES &amp; CHARGES</b>							
EGB000-10533 - WJ 0091 Fees - Special Commercial - PLAF	(3,680)	(3,680)	0	0		0	0
EGB000-10533 - WJ 0098 Fees - Special Commercial - PLA	(500)	(500)	(500)	NO CHANGE		(500)	(500)
EGB000-10553 WJ0090 - LA 2003 Prem Lic App Fee	(2,500)	(2,500)	(2,000)	(20)		(2,000)	(2,000)
EGB000-10553 WJ0091 - LA 2003 Prem Lic Annual Fee	(72,000)	(72,000)	(74,000)	3		(74,000)	(74,000)
EGB000-10553 WJ0092 - LA 2003 Prem Lic Var Fee	(4,000)	(4,000)	(3,000)	(25)		(3,000)	(3,000)
EGB000-10553 WJ0093 - LA 2003 Prem Lic Misc Fee	(500)	(500)	(500)	NO CHANGE		(500)	(500)
EGB000-10553 WJ0095 - LA 2003 Club Cert Annual Fee	(2,880)	(2,880)	(3,060)	6		(3,060)	(3,060)
EGB000-10553 WJ0098 - LA 2003 Personal Licences App Fee	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
EGB000-10553 WJ0099 - LA 2003 Personal Licences Misc Fee	(300)	(300)	(300)	NO CHANGE		(300)	(300)
EGB000-10553 WJ0100 - LA 2003 Temp Event Notices App Fee	(4,500)	(4,500)	(4,500)	NO CHANGE		(4,500)	(4,500)
EGC000-10552 - GA 2005 Registration Fees	(1,200)	(1,200)	(1,500)	25		(1,500)	(1,500)
EGC000-10554 - Fees - Amusement Machines	(850)	(850)	(750)	(12)		(750)	(750)
EGC000-10557 WJ0102 - GA 2005 Adult Gaming Centres	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
EGC000-10557 WJ0103 - GA 2005 Betting Shops	(8,600)	(8,600)	(7,700)	(10)		(7,700)	(7,700)
EGC000-10557 WJ0104 - GA 2005 Clubs	(600)	(600)	(600)	NO CHANGE		(600)	(600)
EGC000-10557 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			
<b>Standard rated &amp; inclusive of VAT</b>									
<b>Pest Control</b>									
Note commercial treatments quoted individually on request									
<b>Pest control treatment for residential properties :-</b>									
<b>NOTE : Fees are inclusive of VAT</b>									
<b>Rats &amp; Mice</b>									
NOTE : Fees are inclusive of VAT									
Rats (max 3 visits)	£60.00	x	x	✓	x	x	£61.50	2.50 %	
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 %	
<b>Wasps/Honets Nests</b>									
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 %	
<b>Fleas</b>									
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 %	
<b>Cockroaches</b>									
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 %	
<b>Bedbugs</b>									
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
<b>Ants (pharaoh only)</b>									
Ants	£100.00	x	✓	x	x	x	£102.50	2.50 %	
Ants concession	£50.00	x	✓	x	x	x	£51.25	2.50 %	
<b>Other insects (Inside)</b>									
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 %	

Can be paid monthly  
Can be paid monthly

**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
<b>FEES &amp; CHARGES</b>							
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 <b>agreement is in place</b> , the charge would be subject to VAT at the Standard rate.									
Where an <b>agreement is NOT in place</b> , the charge would be Outside Scope for VAT purposes.									
<b>STRAY DOGS</b>									
Stray dogs fine (set by statute)	£25.00	*	*	*	*	✓	£25.00	NO CHANGE	
<b>1st Day Kennelling charge &amp; administration</b>	£76.50	*	*	*	*	*	£78.50	2.61 %	
Concessionary rate	£38.25	*	*	✓	*	*	£39.50	3.27 %	
<b>Additional daily Kennel Charges</b>	£10.50	*	*	✓	*	*	£11.00	4.76 %	To reflect the additional cost incurred under
Concessionary rate	£5.10	*	*	✓	*	*	£5.50	7.84 %	

**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
<b>FEES &amp; CHARGES</b>							
EFC000-10555 - Pet/Dog Breeding/Game Dealers	(200)	(200)	(300)	50		(300)	(300)
EFC000-10568 - 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			
<b>ABANDONED VEHICLES (Statutory Charges)</b> (On Road - Outside Scope for VAT) (Off Road E.G. Private Land - Standard Rated)									
<b>Removal of vehicle on road not substantially damaged, or 2 wheeled vehicle on or off road</b> 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
<b>Removal of vehicle on road substantially damaged excluding 2 wheeled vehicle</b> 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
<b>Removal of vehicle off road not substantially damaged excluding 2 wheeled vehicle</b> 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
<b>Removal of vehicle off road substantially damaged excluding 2 wheeled vehicle</b> 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
<b>Storage charge per day</b> 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
<b>Destruction / disposal</b> 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
<b>Note:</b> 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									
<b>ABANDONED VEHICLES (Non Statutory Charges)</b> (On Road - Outside Scope for VAT) (Off Road E.G. Private Land - Standard Rated)									
<b>Return of seized vehicle - cost per mile</b> 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	
<b>Private Land</b> 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
<b>SALES</b>							
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			
<b>Standard rated &amp; exclusive of VAT</b>								
<b>All commercial, non statutory work not listed will be undertaken after provision of a quote and agreeing of a contract.</b>								
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
<b>Report for solicitor / victim for use in legal action / claim (such as health &amp; safety reports, noise nuisance, reports etc).</b>								
Work as above Amount to be submitted with request	hourly rate as above	✓	✓	✗	✗	✗	hourly rate as above	
<b>List of authorised processes and other pollution registers</b>	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
<b>More complex work</b>								
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	As per officer charges above plus 10p per photocopy	✓	✓	✗	✗	✗	As per officer charges above plus 10p per photocopy	NO CHANGE
<b>Environmental Information Requests</b>								
ELR Request (Per hour)	£65.00	✓	✓	✗	✗	✗	£67.00	
<b>Housing standards inspection for immigration purposes</b>								
(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 %
<b>Exempt for VAT purposes</b>								
Level 2 Award in Food Safety in Catering Candidate Fee	£65.00	✓	✓	✗	✗	✗	£65.00	NO CHANGE
<b>Outside Scope for VAT purposes</b>								
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	
<b>Houses in Multiple Occupation (HMO)</b>								
Fast track process licensing application for new or renewals. ( within 5 days )	£0.00	✓	✓	✗	✗	✗	£300.00	New Charge
<b>HMO Licensing New Application Fee</b>								
Concessionary rate for Charities (20% discount)	£1,115.00	✓	✓	✗	✗	✗	£1,143.00	2.51 %
	£892.00						£914.00	2.47 %
<b>HMO Licensing Renewal Application Fee</b>								
Concessionary rate for Charities (20% discount)	£928.00	✓	✓	✗	✗	✗	£951.00	2.48 %
	£742.00						£761.00	2.56 %
<b>HMO Assisted Licence Application Fee</b>								
Extra copy of HMO licence document (where release agreed/requested by landlord)	£200.00	✓	✓	✗	✗	✗	£265.00	32.50 %
	£25.00	✓	✓	✗	✗	✗	£26.00	4.00 %
<b>HMO Set Up and Advice Service</b>								
		✗	✗	✓	✗	✗	See comments	
<b>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.</b>								
							Now	First hour free then a chargeable service at a commercial rate. A quote will be supplied as part of the one hour free service.
<b>Housing Enforcement Charges</b>								
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
<b>FEES &amp; CHARGES</b>							
ECE000-10537 - Health & Safety - Miscellaneous Fees	(3,000)	(3,000)	(3,000)	NO CHANGE		(3,000)	(3,000)
EDC000-10504 - Inspection Fees	(4,000)	(4,000)	(4,000)	NO CHANGE		(4,000)	(4,000)
EDC000-10631 - Income HMO Registration Fees	(7,000)	(7,000)	(7,000)	NO CHANGE		(7,000)	(7,000)
EDD000-10572 - Fees-EPA 1990	(4,000)	(4,000)	(4,000)	NO CHANGE		(4,000)	(4,000)
EDH000-10501 - 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			
<b>Outside Scope for VAT purposes</b>									
Street Naming and Numbering :- Change to existing property <u>New Build</u>	£55.00	✓	✗	✗	✗	✗	£60.00	9.09 %	
1 Plot	£55.00	✓	✗	✗	✗	✗	£100.00	81.82 %	
For each additional plot/unit NA							£20.00		
2-5 Plots	£110.00	✓	✗	✗	✗	✗	Remove		New Charging structure
6-10 Plots	£165.00	✓	✗	✗	✗	✗	Remove		New Charging structure
11-20 Plots	£220.00	✓	✗	✗	✗	✗	Remove		New Charging structure
21-25 Plots	£275.00	✓	✗	✗	✗	✗	Remove		New Charging structure
26-50 Plots	£330.00	✓	✗	✗	✗	✗	Remove		New Charging structure
51-75 Plots	£440.00	✓	✗	✗	✗	✗	Remove		New Charging structure
76-100 Plots	£550.00	✓	✗	✗	✗	✗	Remove		New Charging structure
101-150 Plots	£660.00	✓	✗	✗	✗	✗	Remove		New Charging structure
151-250 Plots	£750.00	✓	✗	✗	✗	✗	Remove		New Charging structure
More than 250 Plots	£750.00 plus £2.00 per unit	✓	✗	✗	✗	✗	Remove		New Charging structure
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!	
<b>GIS system search</b> (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
<b>FEES &amp; CHARGES</b>							
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			
<b>Outside Scope for VAT purposes</b>									
Average weekly hostel rents and service charges	£167.50	*	✓	*	*	*	£167.50	NO CHANGE	<b>Managed Dwellings</b> - 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&amp;B/nightly lets.</b> 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	*	✓	*	*	*	£199.27	-9.46 %	
Bed & Breakfast/Nightly let weekly Charge	£206.83	*	✓	*	*	*	£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
<b>LAND &amp; PROPERTY BASED CHARGES</b>							
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			
<b>Outside Scope for VAT purposes</b>								
<b>On Street pay and display</b>								
Inner CPZ P&D charge per hour	£1.50	*	✓	*	*	£1.60	6.67 %	
Outer CPZ P&D charge per hour	£1.00	*	✓	*	*	£1.10	10.00 %	
<b>Standard rated &amp; inclusive of VAT</b>								
<b>The Avenue Car Park</b>								
7 a.m. to 5 p.m. - 60p per hour								
1 Hour	£0.80	✓	*	✓	*	£0.80	NO CHANGE	
2 Hours	£1.60	✓	*	✓	*	£1.60	NO CHANGE	
3 Hours	£2.40	✓	*	✓	*	£2.40	NO CHANGE	
4 Hours	£3.20	✓	*	✓	*	£3.20	NO CHANGE	
All day till midnight	£5.50	✓	*	✓	*	£5.50	NO CHANGE	
5 p.m. to midnight	£2.50	✓	*	✓	*	£2.50	NO CHANGE	
Season tickets per annum	£800.00	✓	*	✓	*	£800.00	NO CHANGE	
<b>Town Hall Car Park</b>								
Monday - Friday 5 p.m. to midnight and Saturday & Sunday 5 p.m. to midnight	£2.50	✓	*	✓	*	£2.50	NO CHANGE	
1 Hour	£0.80	✓	*	✓	*	£0.80	NO CHANGE	
2 Hours	£1.60	✓	*	✓	*	£1.60	NO CHANGE	
3 Hours	£2.40	✓	*	✓	*	£2.40	NO CHANGE	
4 Hours	£3.20	✓	*	✓	*	£3.20	NO CHANGE	
All day till midnight	£5.50	✓	*	✓	*	£5.50	NO CHANGE	
5 p.m. to midnight	£2.50	✓	*	✓	*	£2.50	NO CHANGE	
<b>Longspring Charges</b>								
Monday - Saturday								
1 hour	£0.60	✓	*	✓	*	£0.60	NO CHANGE	
Up to 4 hours	£1.20	✓	*	✓	*	£1.20	NO CHANGE	
All day	£2.40	✓	*	✓	*	£2.40	NO CHANGE	
<b>Harebreaks Car park</b>								
Monday - Saturday								
1 hour	£0.50	✓	*	✓	*	£0.50	NO CHANGE	
4 hours (maximum stay)	£1.00	✓	*	✓	*	£1.00	NO CHANGE	
<b>Outside Scope for VAT purposes</b>								
<b>Parking Penalties</b>								
Serious Contravention	£50.00	*	✓	*	*	£50.00	NO CHANGE	
More Serious Contravention	£70.00	*	✓	*	*	£70.00	NO CHANGE	
<b>Permit Charges</b>								
full cpz 1st permit	£25.00	*	✓	*	*	£25.00	NO CHANGE	
full cpz 2nd permit	£55.00	*	✓	*	*	£55.00	NO CHANGE	
fullcpz V Vouchers 40 1hour	£4.50	*	✓	*	*	£4.50	NO CHANGE	
fullcpz V Vouchers 20 4hour	£7.00	*	✓	*	*	£7.00	NO CHANGE	
fullcpz 1 day vouchers 5	£4.50	*	✓	*	*	£4.50	NO CHANGE	
fullcpz 1 week v voucher	£4.50	*	✓	*	*	£4.50	NO CHANGE	
fullcpz Business permit inner zone	£300.00	*	✓	*	*	£300.00	NO CHANGE	
fullcpz Business permit outer zone	£150.00	*	✓	*	*	£150.00	NO CHANGE	
Match Day 1st Permit	£6.00	*	✓	*	*	£6.00	NO CHANGE	
Match Day 2nd permit	£12.00	*	✓	*	*	£12.00	NO CHANGE	
MD V Vouchers 1 Day for 5	£4.50	*	✓	*	*	£4.50	NO CHANGE	
MD Business permit	£60.00	*	✓	*	*	£60.00	NO CHANGE	
Medical Permits (DHV)	£25.00	*	✓	*	*	£25.00	NO CHANGE	
subsequent	£55.00	*	✓	*	*	£55.00	NO CHANGE	
Car Park pass cards for disabled residents	£10.00	*	✓	*	*	£10.00	NO CHANGE	
<b>Parking Dispensations/bay suspensions :-</b>								
Per bay per day	£20.00	*	✓	*	*	£20.00	NO CHANGE	
Per bay per week first 2 weeks	£120.00	*	✓	*	*	£120.00	NO CHANGE	
Per bay per week 3 weeks or more	£100.00	*	✓	*	*	£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
<b>FEES &amp; CHARGES</b>							
<b>Longspring</b>							
KFB000-10623 - Income-Parking Fees	(14,500)	(14,500)	(17,000)	17		(17,000)	(17,000)
<b>The Avenue</b>							
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)
<b>Town Hall</b>							
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)
<b>Controlled Parking Zone</b>							
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
		FULL COST RECOVERABLE	SUBSIDISED	FREE			
<b>Standard rated &amp; exclusive of VAT</b>							
<b>BUILDING CONTROL FEES (TABLE 1)</b>							
<b>FULL PLANS</b>							
<b>New Dwellings</b>							
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	£765.00	✓	✓	✓	£825.00	5.10 %	
Fees for additional dwellings are based on volumes built							
<b>BUILDING CONTROL FEES (TABLE 2)</b>							
<b>FULL PLANS</b>							
<b>Domestic Extensions</b>							
Extension - Internal floor area under 10m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£350.00	✓	✓	✓	£370.00	5.71 %	
Extension - Over 10m <sup>2</sup> and under 40m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£490.00	✓	✓	✓	£515.00	5.10 %	
Extension - Over 40m <sup>2</sup> and under 100m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£600.00	✓	✓	✓	£630.00	5.00 %	
Loft Conversion under 40m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£420.00	✓	✓	✓	£440.00	4.76 %	
Loft Conversion over 40m <sup>2</sup> under 100m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£490.00	✓	✓	✓	£515.00	5.10 %	
<b>DETACHED GARAGE OR CAR PORT</b>							
Internal floor area below 40m <sup>2</sup>							
Plan Fee	£200.00	✓	✓	✓	£210.00	5.00 %	
Internal floor area over 40m <sup>2</sup> and under 100m <sup>2</sup>							
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 %	
<b>BUILDING CONTROL FEES (TABLE 3)</b>							
<b>Non-domestic extensions (institutional)</b>							
Extension - Internal floor area under 10m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£350.00	✓	✓	✓	£370.00	5.71 %	
Extension - Over 10m <sup>2</sup> and under 40m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£570.00	✓	✓	✓	£600.00	5.26 %	
Extension - Over 40m <sup>2</sup> and under 100m <sup>2</sup>							
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 %	
<b>BUILDING CONTROL FEES (TABLE 3)</b>							
<b>Non-domestic extensions (industrial)</b>							
Extension - Internal floor area under 10m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£310.00	✓	✓	✓	£325.00	4.84 %	
Extension - Over 10m <sup>2</sup> and under 40m <sup>2</sup>							
Plan Fee	£225.00	✓	✓	✓	£235.00	4.44 %	
Inspection Fee	£415.00	✓	✓	✓	£435.00	4.82 %	
Extension - Over 40m <sup>2</sup> and under 100m <sup>2</sup>							
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 100m <sup>2</sup>							
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
GCA000-0104 - Publications / Copy Documents	(1,000)	(1,000)	(1,000)	NO CHANGE		(1,000)	(1,000)
<b>Building Control</b>	(1,000)	(1,000)	(1,000)			(1,000)	(1,000)
<b>FEES &amp; CHARGES</b>							
GCA000-0503 - Building Regulation-Application Fees	(120,000)	(120,000)	(160,000)	33		(160,000)	(160,000)
GCA000-0504 - Inspection Fees	(100,000)	(110,000)	(110,000)	10		(120,000)	(120,000)
GCA000-0518 - Building Regs - Regularisation	(5,500)	(5,000)	(5,500)	NO CHANGE		(7,000)	(7,000)
GCA000-0519 - Building Control Partnership	(6,000)	(6,500)	(2,500)	(58)		(4,000)	(4,000)
<b>Building Control</b>	(231,500)	(241,500)	(278,000)			(291,000)	(291,000)
<b>Total</b>	(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			
<b>Outside Scope for VAT purposes</b>									
<b>DEVELOPMENT CONTROL FEES</b>									
<b>OPERATIONS</b>									
<b>Outline applications</b> for development in Categories 1,2 & 3									
a) where the site area does not exceed 2.5 hectares	£385.00 per 0.1 hectare	*	*	*	*	✓	£462 per 0.1 hectare		
b) where the site area exceeds 2.5 hectares - □ see below	£9,527.00	*	*	*	*	✓	£11,432.40	20.00 %	
□ - Indicates a further charge for each additional 0.1 hectare in excess of 2.5 hectares	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 1 - New dwellings</b>									
a) where the no of dwellings created is 50 or fewer	£385.00 per dwelling	*	*	*	*	✓	£462 per dwelling	20.00 %	
a) where the no of dwellings created is more than 50 - ● see below	£19,049.00	*	*	*	*	✓	£22,858.80	20.00 %	
● - Indicates a further charge for each dwelling in excess of 50	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 2 - Erection of buildings</b> except those in Categories 1,3,4,5 or 7									
a) where no floorspace is to be created	£195.00	*	*	*	*	✓	£234.00	20.00 %	
b) where the gross floorspace does not exceed 40m <sup>2</sup>	£195.00	*	*	*	*	✓	£234.00	20.00 %	
c) where the gross floorspace exceeds 40m <sup>2</sup> but not 75m <sup>2</sup>	£385.00	*	*	*	*	✓	£462.00	20.00 %	
d) where the gross floorspace exceeds 75m <sup>2</sup> but not 3750m <sup>2</sup>	£385.00 each 75 sq m	*	*	*	*	✓	£462 per 75 sqm		
e) where the gross floorspace exceeds 3750m <sup>2</sup> - ✦ see below	£19,049.00	*	*	*	*	✓	£22,858.80	20.00 %	
✦ - Indicates a further charge for each 75m <sup>2</sup> in excess of 3750m <sup>2</sup>	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 3 - Agricultural buildings</b> except glasshouses									
a) where gross floorspace does not exceed 465 m <sup>2</sup>	£80.00	*	*	*	*	✓	£96.00	20.00 %	
b) where gross floorspace exceeds 465m <sup>2</sup> but < 540m <sup>2</sup>	£385.00	*	*	*	*	✓	£462.00	20.00 %	
c) where gross floorspace exceeds 540m <sup>2</sup> but < 4215m <sup>2</sup>	£385.00 first 540 sq m plus	*	*	*	*	✓	£462 for first 520 sqm plus	20.00 %	
	£385.00 each extra 75 sq m	*	*	*	*	✓	£462 each extra 75 sq m		
d) where gross floorspace exceeds 4215m <sup>2</sup> - ▶ see below	£19,049.00	*	*	*	*	✓	£22,858.80	20.00 %	
▶ - Indicates a further charge for each 75m <sup>2</sup> in excess of 4215m <sup>2</sup>	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 4 - Glasshouses</b>									
a) where gross floorspace does not exceed 465 m <sup>2</sup>	£80.00	*	*	*	*	✓	£96.00	20.00 %	
b) where gross floorspace exceeds 465m <sup>2</sup>	£2,150.00	*	*	*	*	✓	£2,580.00	20.00 %	
<b>Category 5 - Erection, alteration or replacement of plant or machinery</b>									
a) where the site area does not exceed 5 hectares	£385.00 per 0.1 hectare	*	*	*	*	✓	£462 per 0.1 hectare	20.00 %	
b) where the site area exceeds 5 hectares - ▲ see below	£19,049.00	*	*	*	*	✓	£22,858.80	20.00 %	
▲ - Indicates a further charge for each 0.1 hectare in excess of 5 hectares	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 6 - Enlargement, improvement or other alteration of existing dwellings</b>									
a) where the application relates to 1 dwelling	£172.00	*	*	*	*	✓	£206.40	20.00 %	
b) where the application relates to 2 or more dwellings	£339.00	*	*	*	*	✓	£406.80	20.00 %	
<b>Category 7 - Operations within the curtilage of an existing dwelling</b> 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	*	*	*	*	✓	£206.40	20.00 %	
<b>Category 8 - Construction of car parks, service roads and other means of access</b> 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	*	*	*	*	✓	£234.00	20.00 %	
<b>Category 9 - Operations connected with exploratory drilling</b> for oil or natural gas									
a) where the site area does not exceed 7.5 hectares	£385.00 per 0.1 hectare	*	*	*	*	✓	£462 per 0.1 hectare	20.00 %	
b) where the site area exceeds 7.5 hectares - ◀ see below	£28,750.00	*	*	*	*	✓	£34,500.00	20.00 %	
◀ - Indicates a further charge for each 0.1 hectare in excess of 7.5 hectares	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 10 - Other operations</b> 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	*	*	*	*	✓	£234 per 0.1 hectare		
ii) where the site area exceeds 15 hectares - ▼ see below	£29,112.00	*	*	*	*	✓	£34,934.40	20.00 %	
▼ - Indicates a further charge for each 0.1 hectare in excess of 15 hectares	£115.00	*	*	*	*	✓	£138.00	20.00 %	
b) in any other case	£195.00 per 0.1 hectare	*	*	*	*	✓	£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			
<b>Outside Scope for VAT purposes</b>									
<b>DEVELOPMENT CONTROL FEES</b>									
<b>OPERATIONS (Continued)</b>									
<b>Category 11 - Change of use of a building to residential</b>									
a) from an existing dwelling									
i) to 2 to 50 dwellings	£385.00 for each additional dwelling	*	*	*	*	✓	£462.00	20.00 %	
ii) to more than 50 dwellings - * see below	£19,049.00	*	*	*	*	✓	£22,858.80	20.00 %	
* - Indicates a further charge for each dwelling in excess of 50	£115.00	*	*	*	*	✓	£138.00	20.00 %	
b) from a building other than a dwelling									
i) up to 50 dwellings	£385.00 per dwelling	*	*	*	*	✓	£462.00	20.00 %	
ii) to more than 50 dwellings - * see below	£19,049.00	*	*	*	*	✓	£22,858.80	20.00 %	
* - Indicates a further charge for each dwelling in excess of 50	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 12 - Use of land for disposal of refuse or waste materials or as open mineral storage</b>									
a) where the site area does not exceed 15 hectares	£195.00 per 0.1 hectare	*	*	*	*	✓	£234.00	20.00 %	
b) where the site area exceeds 15 hectares - — see below	£29,112.00	*	*	*	*	✓	£34,934.40	20.00 %	
— - Indicates a further charge for each 0.1 hectare in excess of 15 hectares	£115.00	*	*	*	*	✓	£138.00	20.00 %	
<b>Category 13 - Material change of use except one falling within Categories 11 and 12</b>									
	£385.00	*	*	*	*	✓	£462.00	20.00 %	
<b>ADVERTISEMENTS</b>									
<b>Category 14 - Advertisement relating to business on the premises</b>									
	£110.00	*	*	*	*	✓	£132.00	20.00 %	
<b>Category 15 - Advance directional sign</b>									
	£110.00	*	*	*	*	✓	£132.00	20.00 %	
<b>Category 16 - All other advertisements</b>									
	£385.00	*	*	*	*	✓	£462.00	20.00 %	
<b>DETERMINATIONS</b>									
<b>Category 17 - Prior approval</b>									
a) agricultural or forestry buildings	£80.00	*	*	*	*	✓	£96.00	20.00 %	
b) demolition of buildings	£80.00	*	*	*	*	✓	£96.00	20.00 %	
c) telecommunications installations	£385.00	*	*	*	*	✓	£462.00	20.00 %	
d) development involving a material change of use	£80.00	*	*	*	*	✓	£96.00	20.00 %	
e) development involving a material change of use and building operations in connection with that change of use	£172.00	*	*	*	*	✓	£206.40	20.00 %	
<b>ALTERATION OF PERMISSION</b>									
<b>Category 18 - Variation of condition</b>									
	£195.00	*	*	*	*	✓	£234.00	20.00 %	
<b>Category 19 - Non material amendment</b>									
a) householder development	£28.00	*	*	*	*	✓	£33.60	20.00 %	
b) other development	£195.00	*	*	*	*	✓	£234.00	20.00 %	
<b>COMPLIANCE WITH CONDITIONS</b>									
<b>Category 20 - Confirmation of compliance with conditions</b>									
a) relating to development within Categories 6 and 7	£28.00 per request	*	*	*	*	✓	£33.60	20.00 %	
b) relating to any other development	£97.00 per request	*	*	*	*	✓	£116.40	20.00 %	
<b>RENEWAL OF PLANNING PERMISSION</b>									
<b>Category 21 - Renewal of planning permission where the development has not commenced</b>									
a) householder development	£57.00	*	*	*	*	✓	£68.40	20.00 %	
b) major development	£575.00	*	*	*	*	✓	£690.00	20.00 %	
c) other development	£195.00	*	*	*	*	✓	£234.00	20.00 %	
<b>LAWFUL DEVELOPMENT</b>									
<b>Category 22 - Lawful Development Certificate</b>									
a) for an existing use of land or operational development	Same fee for an equivalent planning application	*	*	*	*	✓			
b) for non compliance with a condition	£195.00	*	*	*	*	✓	£234.00	20.00 %	
c) for a proposed use of land or operational development	Half fee of an equivalent planning application	*	*	*	*	✓			
<b>APPROPRIATE ALTERNATIVE DEVELOPMENT</b>									
<b>Category 23 - Certificate of appropriate alternative development</b>									
	£195.00	*	*	*	*	✓	£234.00	20.00 %	
<b>CONCESSION FEES AND EXEMPTIONS</b>									
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	*	*	✓	*	✓	£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	*	*	*	✓	✓	Free of charge	NO CHANGE	
c) alterations to public buildings in order to provide access for people with disabilities	Free of charge	*	*	*	✓	✓	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	*	*	*	✓	✓	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			
<b>Outside Scope for VAT purposes</b>								
<b>DEVELOPMENT CONTROL FEES</b>								
<b>CONCESSION FEES AND EXEMPTIONS (Continued)</b>								
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
<b>Standard rated &amp; inclusive of VAT</b>								
<b>DEVELOPMENT CONTROL FEES</b>								
<b>PRE APPLICATION ADVICE</b>								
<b>CATEGORY 1 covers :-</b>								
a) 75 or more residential units	£8,000.00	x	✓	x	x	x	£9,000.00	12.50 %
<b>CATEGORY 2 covers :-</b>								
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								
<b>CATEGORY 3 covers :-</b>								
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								
<b>CATEGORY 4 covers :-</b>								
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								
<b>CATEGORY 5 covers :-</b>								
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								
<b>CATEGORY 6 covers :-</b>								
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			
<b>Standard rated &amp; inclusive of VAT</b>								
<b>DEVELOPMENT CONTROL FEES PRE APPLICATION ADVICE (Continued)</b>								
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
<b>FEES &amp; CHARGES</b>							
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)
<b>Development Control</b>	<b>(640,000)</b>	<b>(520,000)</b>	<b>(710,000)</b>			<b>(785,000)</b>	<b>(785,000)</b>
<b>Total</b>	<b>(640,000)</b>	<b>(520,000)</b>	<b>(710,000)</b>			<b>(785,000)</b>	<b>(785,000)</b>

**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			
<b>Outside Scope for VAT purposes</b>									
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	
<b>Fees for Local Land Charges excluding Con29.</b>									
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
<b>FEES &amp; CHARGES</b>							
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	
<b>Exempt from VAT</b>											
<b>COMMITTEE ROOM 1 (16 seats)</b>											
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	
<b>COMMITTEE ROOM 2 (24 seats)</b>											
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	
<b>COUNCIL CHAMBER (44 seats)</b> (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	
<b>TRAINING ROOM 1 (20 seats)</b>											
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	
<b>TRAINING ROOM 2 (20 seats)</b>											
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	
<b>MEETING ROOM B (10 SEATS)</b>											
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	
<b>Standard rated &amp; exclusive of VAT</b>											
<b>OTHER CHARGES</b>											
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
<b>LAND &amp; PROPERTY BASED CHARGES</b>							
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				
<b>Outside Scope for VAT purposes</b>										
<u>Register of Electors</u>										
Electronic version - * (see below)	£20.00	x	x	x	x	✓	£20.00	NO CHANGE	Statutory - no powers to change Statutory - 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										
<u>Marked Register of Electors</u>										
Electronic version - ○ (see below)	£10.00	x	x	x	x	✓	£10.00	NO CHANGE	Statutory - no powers to change Statutory - 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										
<u>Confirmation Letter Fees</u>										
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		

**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
<b>SALES</b>							
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			
<b>Outside Scope &amp; exclusive of VAT</b>									
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>	Annual Increase / Decrease (-) %	Comments	<u>Proposed Budget 2019/20</u>	<u>Proposed Budget 2020/21</u>
<b>FEES &amp; CHARGES</b>							
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 Cabinet 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.

#### 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	<b>£17.3m</b>	<b>£49.6m</b>	<b>£57.2m</b>	<b>£62.8m</b>	<b>£62.8m</b>
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.

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

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

<b>Month</b>	<b>Rate Achieved</b>
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.

<b>Operational Boundary</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>
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.

<b>Authorised Limit</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>
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.

<b>Treasury Indicator &amp; Limit</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
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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:

	<b>Non Specified Investment Category</b>	<b>Limit (£ or %)</b>
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					
<b>UK Banks</b>								
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
<b>UK Building Societies</b>								
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
<b>Specific Public Bodies</b>				As approved by Members				
<b>Debt Management Deposit Facility (UK Government)</b>						Unlimited		
<b>Money Market Funds (AAA Rated)</b>								£5m per fund
<b>Municipal Bond Agency</b>				As approved by Members				
<b>UK Local Authorities</b>				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
<b>Location</b>	5	Major prime	Micro prime	Secondary	Tertiary
<b>Tenant Covenant</b>	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
<b>Building Quality</b>	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
<b>Occupier s Lease Length</b>	4	Greater than 10 years	Between 6 and 10 years	Between 3 and 6 years	Less than 3 years or vacant
<b>Tenure</b>	3	Freehold	Lease 125 years plus	Lease between 100 and 125 years	Lease between 60 and 100 years
<b>Lot Size</b>	3	Between £3m & £5m	Between £2m & £3m or £5m & £7m	Between £1m & £2m or £7m & £10m	Greater than £15m
<b>Max Score</b>		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.

PART A

**Report to:** Cabinet  
**Date of meeting:** 22 January 2018  
**Report of:** Head of Housing  
**Title:** Homelessness Reviews Framework Agreement

**1.0 Summary**

1.1 This report sets out the proposal to use external providers to undertake Homelessness Reviews required as part of its statutory duties set out in S202 of the Housing Act 1996 (as amended by the Homelessness Act 2002) and the Homelessness Reduction Act 2017. Under the Local Authorities (Contracting Out of Allocation of Housing and Homelessness Function) Order 1996, councils have been able to delegate out these homelessness review decisions since January 1997.

1.2 Cabinet is requested to approve the establishment of a framework agreement as a mechanism to deliver Homelessness Reviews and approve the contracting out of the homelessness review function.

**2.0 Risks**

2.1

<b>Nature of Risk</b>	<b>Consequence</b>	<b>Suggested Control Measures</b>	<b>Response</b> <i>(Treat, tolerate, terminate, transfer)</i>	<b>Risk Rating</b> (the combination of severity and likelihood)
Legal challenge that:  1. The Homelessness Reviews framework option has not been approved by Cabinet; 2. The Council	Additional officer time and associated legal expense in defending legal challenges	Cabinet to make decision to approve framework option and delegate its housing review function.	Treat	2

has not formally delegated its reviews function.				
Maintaining one supplier	Supplier is unable to meet deadlines	Cabinet approves the Homelessness Reviews Framework Agreement	Treat	2
No acceptable providers appointed following procurement process	Remain as is with one supplier	Review option of bringing in additional staff resources	Treat	2

### 3.0 Recommendations

That Cabinet:

- 3.1 Agrees to the establishment of a framework agreement to enable the Council to appoint suppliers to undertake homelessness reviews and other related work;
- 3.2 Delegates to the Head of Housing the authority to select and appoint the suppliers to the Framework panel;
- 3.3 Delegates approval of the specific terms of the framework agreement and associated contract documentation to the Head of Housing, in consultation with Legal Services;
- 3.4 Delegates under Article 3 of the Local Authorities (Contracting Out of Allocation of Housing and Homelessness Function) Order 1996 the function of undertaking homelessness reviews under section 202 of the Housing Act 1996 and related homelessness reviews work to the selected framework panel providers on behalf of the Council.

**Contact Officer:**

For further information on this report please contact: Ayaz Maqsood, Head of Housing  
 telephone extension: x 8902      email: ayaz.maqsood@watford.gov.uk

**Report approved by:** Nick Fenwick (Deputy Managing Director)

## 4.0 Detailed proposal

### 4.1 Legal Context

4.1.1 Applicants seeking a local authority's assistance because they consider they are homeless may, under S202 of the Housing Act 1996 (as amended by the Homelessness Act 2002) request a review of decisions taken by a local authority in their case on a range of issues including:

- Their eligibility for assistance
- Whether a statutory duty to house is owed to them under the Act
- Whether accommodation the local authority has offered is suitable as temporary accommodation or as discharge of the local authority's duty
- Requests for accommodation pending the outcome of either a review decision or a county court appeal (Mohammed letters)

Any S202 reviews must be completed within 56 days from receiving the request to review a decision.

4.1.2 Under current legislation, homeless applicants have the ability to request a review of up to two types of local authority decision made on their application. The Homelessness Reduction Act 2017 (HRA17) increases significantly the types of local authority decisions that can be reviewed to 13 (see sections 19.3 of Appendix 1). Because each homeless application is different, all 13 types of decision-making will not be required for every application. However, it is envisaged that each homeless applicant could exercise their right to request a review of up to five decisions a local authority can make on their application. Consequently HRA17 will involve a significant increase in S202 reviews workload.

4.1.3 The current Homelessness Review contract with one provider has been in place since 2014 is due to expire in August 2018 and there are no plans to terminate this contract. Two significant issues have arisen with this contract:

- the council has been legally challenged a number of times about the process the council originally followed to appoint the provider and also whether they can legally conduct reviews on the council's behalf. To date all challenges have been successfully defended.
- having a single provider of the reviews function has proved challenging when taking into account the number of reviews and has highlighted capacity issues – this results in an increase in costs to the council of temporary accommodation and officer time.

Under the Local Authorities (Contracting Out of Allocation of Housing and

Homelessness Function) Order 1996, councils have been able to delegate out these decisions since January 1997.

#### 4.2 Framework Agreement proposal

4.2.1 In considering a new operating model for Housing Services to meet the increased reviews workload arising from the HRA17, the council considered the following:

- Appointing a number of additional officers to conduct reviews itself
- Creating a framework agreement to enable the council to have access to a wide range of reviews providers

4.2.2 The option of appointing additional officers was discounted on the basis that:

- it would require a new team to be set up which would be costly and difficult to achieve
- the council needed to retain flexibility and be able to assess actual reviews workload as HRA17 beds in.

The council may decide to appoint reviews officers in the future.

4.2.3 The framework agreement approach involves selecting a series of providers, through a tender process, to form a panel of suppliers. An agreement (Framework Agreement) between the panel members and the council would be drawn up and the Council would “call-off” a contract with each supplier that it intends to seek review or other services from.

4.2.4 A framework agreement approach would enable the council to increase the number of providers it can work with and so be in the best position to respond in a timely and flexible way to the increased reviews workload envisaged under the HRA17.

The issues currently faced by the Council regarding capacity, prospective increase in demand due to HRA17 and legal challenges, are not exclusive to Watford. Under the terms of the framework agreement, it would be open to all Hertfordshire local authorities to call off contracts with the suppliers to assist with their homelessness reviews. Indeed, Three Rivers District Council have assisted in putting together the specification for the prospective framework agreement.

4.2.5 In December 2017, the council went out to competitive tender on a Framework Agreement for the provision of a Homelessness s202 Review Service. The tender for the Framework Agreement for the provision of Homelessness s202 Review Service closed on 18 January 2018. Applications from service providers received are now being evaluated.



The Framework Agreement length would be four years. Call-off contracts under the framework agreement may extend beyond that term, if awarded prior to the end of the framework agreement term. Details of the services the providers would be contracted to provide are detailed in Appendix 1 (Specification).

- 4.2.6 Given the legal challenges the council has faced in the past and that increased review workload requires access to more than one reviews provider, Cabinet is requested to approve the framework agreement option and contracting out of services related to our homelessness reviews function as per the recommendations above (paragraph 3).

## 5.0 **Implications**

### 5.1 **Financial**

- 5.1.1 The Shared Director of Finance comments that the full implications of the new framework are not yet known. There have been additional costs related to the implementation of the Housing Reduction Act 2017 built into the 2018/19 budget setting process. The implications will be monitored through the 2018/19 budget monitoring process.

### 5.2 **Legal Issues** (Monitoring Officer)

- 5.2.1 The Legal & Democratic Services Section Head comments that the primary legal issues are contained within the body of the report. There have additionally been legal challenges on the issue of whether a local authority can delegate its Equality Act 2010 responsibilities. There will need to be processes in place to ensure that the Council complies with its responsibilities under the Equality Act in each case.

### 5.3 **Equalities/Human Rights**

- 5.3.1 Having had regard to the council's obligations under s149(1) of the Equality Act 2010, an equalities impact assessment has not been undertaken for the implementation of the Framework Agreement for the provision of a Homelessness s202 Review Service. This is because s202 homelessness reviews are being taken account of in the equalities impact assessment currently underway for the related new operating model for the Housing Service which is the subject of a separate Cabinet Report.

The Human Rights of homeless applicants are protected through their statutory right to request reviews of local authority decisions taken on their homeless application.

### 5.4 **Staffing**

- 5.4.1 Staffing requirements related to the framework agreement involve monitoring the performance of providers appointed. This will be part of the role of the Housing Performance and Policy Trainee Role set out in the related Cabinet report on the new operating model for Housing Services.

5.5 **Accommodation**

5.5.1 None

5.6 **Community Safety/Crime and Disorder**

5.6.1 Not applicable

5.7 **Sustainability**

5.7.1 Not applicable

## **Appendices**

Appendix 1: Specification for the Framework Agreement for the provision of a Homelessness s202 Review Service

## **Background Papers**

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- Specification for the Framework Agreement for the provision of a Homelessness s202 Review Service

## **File Reference**

- *None*

**Appendix 1: Specification for a Framework Agreement for the provision of a Homelessness s202 Review Service**



**SPECIFICATION**

**for**

**Framework Agreement  
for the provision of a**

**Homelessness s202 Review Service**

**December 2017**

## ***Specification of Requirements (SOR)***

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The duties of local housing authorities to a person who applies as homeless is governed by Part 7 of the Housing Act 1996, as amended by the Homelessness Act 2002, Localism Act 2011 and Homelessness Reduction Act 2017.

Local Housing Authorities (the Councils) must make such enquiries as are necessary to satisfy themselves whether the applicant is eligible for assistance and what, if any, duty is owed to them. The applicant has the right to request a review of any such decision and decisions relating to the suitability of accommodation offered to them in discharge of the duty owed.

The review of the decision must be conducted by someone who is independent and senior of the original decision maker.

If the applicant is dissatisfied with the decision on review, they may appeal to the county court on a point of law.

The Councils are permitted to outsource the homelessness review process and for a number of years, a consultant has been appointed to carry out this work on behalf of the Councils. This is in acknowledgement of resource constraints within the Council and the preference of some applicants to have decisions independently reviewed.

The Councils are looking to commission suitably qualified and experienced organisations (the reviewer) to undertake reviews into homelessness decisions under its statutory function of Section 202 of the Housing Act 1996 (as amended by relevant legislation).

To meet its statutory duties the Councils are seeking to contract out a framework agreement for a period of four years. Call-off contracts under the framework agreement may extend beyond that term, if awarded prior to the end of the framework agreement term, for a further two years, commencing in January 2018 for the the function of discharging duty under Section 202 of the Housing Act 1996 (as amended).

### **Legislative Background:**

Section 202 of the Housing Act 1996, as amended by the Homelessness Act 2002, states:

An applicant may, within 21 days of being notified of it or longer if the authority agrees, request a review of any decision by a Local Authority concerning:

- (a) any decision of a local housing authority as to his/her eligibility for assistance,
- (b) any decision of a local housing authority as to what duty (if any) is owed to him/her under sections 190 to 193 and 195,
- (c) any decision of a local housing authority to notify another authority under section 198(1),
- (d) any decision under section 198(5) whether conditions are met for the referral of his/her case,
- (e) any decision under section 200(3) or (4),

- (f) any decision of a local housing authority as to the suitability of accommodation offered to him/her in discharge of their duty under any of the provisions mentioned in paragraph (b) or (e) or as to the suitability of accommodation offered to him/her as mentioned in section 193(7),
- (g) any decision of a local housing authority as to the suitability of accommodation offered to him/her by way of a private rented sector offer (within the meaning of section 193).

Any s202 reviews should be completed within 56 days from the date of the review request. The reviewer has the discretion to request an extension of time however they must agree this with the applicant requesting the s202.

The Homelessness Reduction Act 2017 introduces additional rights of review and the draft Homelessness Code of Guidance 2017 out for consultation states as follows;

### **Right to Request a Review**

**19.2** Applicants have the right to request the housing authority review their decisions on homelessness cases in some circumstances. If the request is made in accordance with section 202 the housing authority, or housing authorities, concerned must review the relevant decision.

**19.3** Under section 202(1) an applicant has the right to request a review of a housing authority's decision:

- a. of their eligibility for assistance (i.e. whether they are considered to be a person from abroad who is ineligible for assistance under Part 7);
- b. what duty (if any) is owed to them in relation to the duties owed to persons found to be homeless or threatened with homelessness;
- c. of the steps they are to take in their personalised housing plan at the prevention duty;
- d. to give notice to bring the prevention duty to an end;
- e. of the steps they are to take in their personalised housing plan at the relief duty;
- f. to give notice to bring the relief duty to an end;
- g. to give notice under section 193B(2) in cases of deliberate and unreasonable refusal to co-operate;
- h. to notify their case to another authority under section 198(1) (i.e. a decision to refer the applicant at the main housing duty, to another housing authority because they consider that the conditions for referral are met.);
- i. under section 198(5) as to whether the conditions are met for the referral of their case to another housing authority at the relief duty or main housing duty (including a decision reached either by agreement between the notifying and notified authority, or taken by a person appointed under the *Homelessness (Decisions on Referrals) Order 1998* (SI 1998 No.1578) where agreement cannot be reached);

j. under section 200(3) (i.e. where a decision is made that the conditions for referral are not met and so the notifying housing authority owe the section 193 main housing duty) or a decision that the conditions for referral to a notified authority in Wales are met and the notified authority owe the section 193 main housing duty);

k. as to the suitability of accommodation offered to the applicant under any of the provisions in paragraph (b) or (j) above or the suitability of accommodation offered under section 193(7) in relation to allocations under Part 6. Applicants can request a review of the suitability of accommodation whether or not they have accepted the offer (section 202(1B));

l. as to the suitability of accommodation offered to the applicant by way of a private rented sector offer under section 193, or

m. as to the suitability of accommodation offered to the applicant by way of a final offer or a final Part 6 offer under section 193A or 193C. Applicants can request a review of the suitability of accommodation whether or not they have accepted the offer.

#### **Workload context**

The table below shows, by way of example, the number of cases that have been requested by two of the authorities for review over the last five financial years. The number of cases may vary for other authorities entitled to use the framework agreement:

<b>Financial Year</b>	<b>Requested by Three Rivers DC</b>	<b>Requested by Watford BC</b>
2012/13	7	5
2013/14	6	22
2014/15	8	51
2015/16	11	43
2016/17	7	22

**The reviews contract is in place to allow for all rights of review available under s202 to be completed by the appointed organisations.**

While the local authority is carrying out the review process, they have a power to provide the applicant with accommodation (s.188(3)). Once the review process has been completed, and the result communicated to the applicant, that power comes to an end. The applicant has the right to appeal to the County Court against an adverse decision on review (s.204). Pending resolution of the appeal, the local authority once again has a power to provide accommodation (s.204(4)).

These decisions whether or not to accommodate pending review / appeal are themselves open to challenge.

It is also required in the reviews contract for these decision letters to be completed for requests of temporary accommodation pending review bearing in mind R (Mohammed) v

Camden LBC [1997] 30 HLR 315. These decision letters should be completed by the reviewing officer who should liaise with the appropriate LA before issuing the decision on the LA's behalf.

## **1. Contractor's General Obligations**

- 1.1 To deliver all services within this Specification commencing on 28<sup>th</sup> January 2018.
- 1.2 To take instruction from the appropriate Council to conduct reviews and Mohammed letters on its behalf in strict accordance with the Housing Act 1996 (as amended), other relevant legislation, the Homelessness Code of Guidance for local authorities and other good practice.
- 1.3 To ensure that work is undertaken by suitably experienced and qualified personnel, ensuring contingency for peak workloads or absence. A basic disclosure certificate (Disclosure Scotland) will be required for all personnel involved in the delivery of the service.
- 1.4 To ensure that review casework and correspondence is comprehensive, accurate and to a high standard, having regard to the Equalities Act 2010 and applying the Public Sector Equality Duty of which a review contractor has authority to do on behalf of the LA bearing in mind Panayioutou [2017] EWCA CIV 1624 .
- 1.5 To use their best endeavours to safeguard the good reputation of the Council at all times and particularly where a review does not uphold the original decision made by the Council.
- 1.6 To keep the Council informed of any relevant developments in legislation, case law or good practice which has a bearing on how homelessness reviews should be undertaken or the operation of this contract.
- 1.7 To ensure the secure storage of all data relating to the applicant and the operation of this contract, including effective systems for retrieving data for the purposes of performance monitoring, budget analysis and Freedom of Information or Data Protection requests.
- 1.8 To comply with the Data Protection Act 1998 and comply with protocols for the handling of data. To comply with the new General Data Protection Regulations after they come into force during 2018. To notify the Council of any breaches of data protection and return all new paperwork to the Council on completion of the review.
- 1.9 To keep the Council indemnified from and against any and all loss, damage or liability suffered and reasonable legal fees and costs incurred by the Council arising from or connected to or in relation to any breach of the terms of this specification.
- 1.10 To identify areas for improvement in initial decision making and communicate these to the Council in a timely manner.



## **2. Contract management**

- 2.1 While there are active referrals under this contract, quarterly liaison will be established to exchange information between the parties on significant issues concerning the contract and those arising from the casework.
- 2.2 Regular liaison should be held for any case decisions or queries and specifically adverse decisions. The point of contact will be identified by TRDC and WBC.
- 2.3 Performance indicators at Appendix A will be provided by the Contractor on a quarterly basis and used by the council to support monitoring of the contractor's performance in relation to this contract.

## **3. Financial arrangements**

### **The Consultant shall:**

- 3.1 Obtain approval from the Council for any necessary additional costs prior to incurring them. This will include seeking approval for medical assessments or translation services. If approval is not given then costs will not be paid to the reviewer.
- 3.2 Submit a monthly invoice to the Council for completed reviews detailing the reviews undertaken and the relevant costs incurred.
- 3.3 Please see the Specification and Terms and Conditions regarding financial arrangements.

### **The Council shall:**

- 3.4 Following completion of the review to a satisfactory standard, pay the consultant the agreed fee and associated costs within 30 working days of receipt of the monthly invoice.

### **Provisional timetable:**

Below are some indicative dates for the tender submission:

<b>Activity</b>	<b>Dates</b>
Deadline for Submission	As shown on the portal
Evaluation of Tenders	January 2018
Notification of Decision	January 2018
Contract Start date	January 2018

### **Evaluation Criteria**

The tender response should provide a detailed proposal, with associated costs, for delivering the service.

Bidders should outline how they would deliver the service and should include full details of methodology, service design, risk management and mitigation, key personnel involved in its delivery from within their organisation and a supporting statement that demonstrates their experience of conducting reviews.

The evaluation will be 80% based on the quality of the bid and 20% based on the cost of the bid.

Quality and cost will be assessed through the written method statement. Suppliers need to demonstrate the following in their method statement:

Quality Criteria	Description	Weighting %
Experience	Please explain your experience of undertaking Homelessness Reviews	35
Qualifications	Please list your qualifications to undertake Homelessness Reviews	5
Methodology	Please identify your process and methods for undertaking Homelessness reviews and dealing with increased volumes	20
Customer Care	Please identify your measures and methods to ensure a high standard of customer care. Additionally, please include your experience of assisting vulnerable clients	10
Collation and Communication	Please explain your methods for the collation of case notes. Please explain how you will communicate with WBC/TRDC, prior to a decision being issued	10
Health Contacts	Use of the Council's Doctor: if you do not intend to use the Council's doctor, please explain your methods and plans to use an independent and list your health contacts	10
Quality and Performance	Please provide quality evidence and data. For example: the ratio of decision letters vs Court cases and number upheld	10

The criteria will be evaluated using the following scoring methodology:

Score	Rating	Criteria for Assessing Score
1	Unsatisfactory / Unacceptable	Does not meet any of the requirements
2	Poor	Falls far short of meeting the requirements
3	Very Weak	Falls significantly short of meeting the requirements
4	Weak	Falls moderately short of meeting the requirements
5	Acceptable	Appears to meet requirements but some inference needed where not fully demonstrated or evidenced
6	Satisfactory	Satisfactorily meets requirements and is supported by clear evidence
7	Good	Meets requirements <b>and</b> will bring some added value / benefit
8	Very Good	Exceeds requirements <b>and</b> will bring added value / benefit
9	Outstanding	Significantly exceeds requirements <b>and</b> will bring significant added value/ benefit
10	Exceptional	Submission significantly exceeding requirements in all respects <b>and</b> will bring very significant added value / benefit

The assessment of each criterion will be based on the scoring system tabulated above. The right is reserved to exclude any bidder who scores 3 or less in any criteria.

A Tender may be rejected if it is too high to be affordable. A Tender may be rejected if it is too low to be credible, but only after the Bidder has been given the opportunity to provide an explanation of the Tender or part of the Tender which the Councils believe to be too low.

The Council may seek the provision of two relevant references from other local authorities / public sector organisation or private sector business. These will be considered in the evaluation of the quality criteria. Bidders must provide suitable contact details.

Bidders may be invited for interview, in order to clarify any matters in the submission.

### **Terms of Payments**

The terms of payment are contained within the terms and conditions and the Invitation to Tender.

The Council will make a payment of the agreed fee within 30 days of the completion of the review and a VAT (if VAT registered) invoice has been received.

### **Specification:**

Companies should prepare quotations using the following information:  
General price (split evaluation between two prices, i.e. 80/20)

An all-inclusive price per case should be quoted in and further an all-inclusive cost for court attendance/appearance

- Identify your process for carrying out reviews
- Measures to ensure a high standard of customer care, including vulnerable clients
- Evidence of relevant experience and qualification
- Rationale and case notes to be discussed, prior to a decision being issued
- Must use the Council Doctor or request permission to send for independent assessment (for decisions where health reasons are cited).
- Quality evidence and data. For example: the ratio of decision letters: Court case and number upheld.
- Provide financial information for the periods: 2018/2019; 2019/2020 and first 6 months

Variation of Specification: Where a supplier is offering to supply Services that vary in any respect from the SOR then the description of the service being offered must clearly identify those features that are not to the original quotation specification.

Summary Breakdown of Charges and Discounts: Suppliers must quote for the supply of services including any necessary training. Prices should include all costs and disbursements but exclude VAT. Any additional charges that might apply should be clearly listed separately.

Any available discounts should also be stated. All costs must be identified in the Pricing Schedule.

### **Appendix 1- Pricing Schedule**

Please breakdown the prices into the stages of delivery (including, but not limited to survey design, fieldwork, quality control, data processing and reporting)

#### **Standard pricing for review**

<b>Item</b>	<b>Description</b>	<b>Price £</b>
<b>A</b>	<b>Cost of staff time</b>	
<b>B</b>	<b>Cost for letters/correspondence</b>	
<b>C</b>	<b>Cost per face to face client interview</b>	
<b>D</b>	<b>All anticipated additional costs</b> E1 E2 E3	
	<b>TOTAL OF FIXED DELIVERED PRICE</b>	

#### **Non-standard costs - for Court appearance**

<b>Item</b>	<b>Description</b>	<b>Price £</b>
<b>A</b>	<b>Cost per court appearance</b>	
<b>B</b>	<b>Cost per witness statement</b>	
<b>C</b>	<b>Cost for letters/correspondence</b>	
<b>D</b>	<b>Cost per face to face client interview</b>	
<b>E</b>	<b>All anticipated additional costs</b> E1 E2 E3	
	<b>TOTAL OF FIXED DELIVERED PRICE</b>	

## **Appendix 2- Legislation and Case Law**

### *Housing Act 1996 Part VII: Homelessness (amended)*

#### **202 Right to request review of decision.**

(1) An applicant has the right to request a review of—

(a) any decision of a local housing authority as to his eligibility for assistance,

(aa) any assessment of the applicant's case under section 184A;

(ab) any assistance given to the applicant under section 184B (duty to prevent homelessness);

(ac) any assistance given to the applicant under section 184C (duty to help to secure accommodation);

(b) any decision of a local housing authority as to what duty (if any) is owed to him under sections 190 to 193 (duties to persons found to be homeless or threatened with homelessness),

(ba) any decision of a local housing authority that any of the duties owed to an applicant under sections 184B, 184C, 190, 192, 192A and 193 have come to an end;

(c) any decision of a local housing authority to notify another authority under section 198(1) (referral of cases),

(d) any decision under section 198(5) whether the conditions are met for the referral of his case,

(e) any decision under section 200(3) or (4) (decision as to duty owed to applicant whose case is considered for referral or referred),

(f) any decision of a local housing authority as to the suitability of accommodation offered to him in discharge of their duty under any of the provisions mentioned in paragraph (b), (ba) or (e) or as to the suitability of accommodation offered to him as mentioned in section

193(7), or

(g) any decision of a local housing authority as to the suitability of accommodation offered to him by way of a private rented sector offer (within the meaning of section 193).

(1A) An applicant who is offered accommodation as mentioned in sections 184B, 184C, 190, 192A, 193(5), (7) (7AA) or 200 may under subsection (1)(f) or (as the case may be) (g) request a review of the suitability of the accommodation offered to him whether or not he has accepted the offer.

(1B) A review undertaken under subsection (1)(aa) shall extend to

(a) steps taken by the authority in carrying out the assessment;

(b) matters taken into account in connection with the assessment;

(c) any findings of fact made in the course of the assessment;

- (d) any decision which is adverse to the applicant's interests;
- (e) the outcome of the assessment, including any recommendation as to the nature of the authority's duties to the applicant; and
- (f) any failure to review the assessment under section 184A(4) or (5).

(1C) A review undertaken under subsection (1)(ab) and 1(ac) shall extend to:

- (a) the process followed by the authority in helping to prevent homelessness or in helping to secure the availability of accommodation (as the case may be);
- (b) the nature and extent of any assistance given, and whether such assistance was appropriate and adequate to the applicant's circumstances;
- (c) the outcome of the assistance given; and
- (d) the suitability of any accommodation which may be offered to him in the course of the performance of the authority's functions under sections 184B or 184C (as the case may be).

(2) There is no right to request a review of the decision reached on an earlier review.

(3) A request for review must be made before the end of the period of 21 days beginning with the day on which he is notified of the authority's decision or such longer period as the authority may in writing allow.

(4) In relation to a review under subsection (1) (aa), (ab) and (ac), a request for review must be made before the end of the period of 21 days beginning with the day on which he is notified as provided under sections 184A(5), 184B(8) or 184C(10) (as the case may be) or such longer period as the authority may in writing allow.

(5) On a request being duly made to them, the authority or authorities concerned shall review their decision.

### **203 Procedure on a review.**

(1) The Secretary of State may make provision by regulations as to the procedure to be followed in connection with a review under section 202. Nothing in the following provisions affects the generality of this power.

(2) Provision may be made by regulations –

- (a) requiring the decision on review to be made by a person of appropriate seniority who was not involved in the original decision, and
- (b) as to the circumstances in which the applicant is entitled to an oral hearing, and whether and by whom he may be represented at such a hearing.



(3) The authority, or as the case may be either of the authorities, concerned shall notify the applicant of the decision on the review.

(4) If the decision is –

(a) to confirm the original decision on any issue against the interests of the applicant, or

(b) to confirm a previous decision –

(i) to notify another authority under section 198 (referral of cases), or

(ii) that the conditions are met for the referral of his case, they shall also notify him of the reasons for the decision.

(5) In any case they shall inform the applicant of his right to appeal to [the county court] on a point of law, and of the period within which such an appeal must be made (see section 204).

(6) Notice of the decision shall not be treated as given unless and until subsection

(5), and where applicable subsection (4), is complied with.

(7) Provision may be made by regulations as to the period within which the review must be carried out and notice given of the decision.

(8) Notice required to be given to a person under this section shall be given in writing and, if not received by him, shall be treated as having been given if it is made available at the authority's office for a reasonable period for collection by him or on his behalf.

**204 Right of appeal to county court on point of law.**

(1) If an applicant who has requested a review under section 202 –

(a) is dissatisfied with the decision on the review, or

(b) is not notified of the decision on the review within the time prescribed under section 203, he may appeal to the county court on any point of law arising from the decision or, as the case may be, the original decision.

(2) An appeal must be brought within 21 days of his being notified of the decision or, as the case may be, of the date on which he should have been notified of a decision on review.

[(2A) The court may give permission for an appeal to be brought after the end of the period allowed by subsection (2), but only if it is satisfied –

(a) where permission is sought before the end of that period, that there is a good reason for the applicant to be unable to bring the appeal in time; or

(b) where permission is sought after that time, that there was a good reason for the applicant's failure to bring the appeal in time and for any delay in applying for permission.]<sup>1</sup>

(3) On appeal the court may make such order confirming, quashing or varying the decision as it thinks fit.

(4) Where the authority were under a duty under section 188, 190 or 200 to secure that accommodation is available for the applicant's occupation[, or had the power under section 195(8) to do so, they may]<sup>2</sup> secure that accommodation is so available –

(a) during the period for appealing under this section against the authority's decision, and

(b) if an appeal is brought, until the appeal (and any further appeal) is finally determined.

#### **204A Section 204(4): appeals.**

(1) This section applies where an applicant has the right to appeal to the county court against a local housing authority's decision on a review.

(2) If the applicant is dissatisfied with a decision by the authority –

(a) not to exercise their power under section 204(4) ('the section 204(4) power') in his case;

(b) to exercise that power for a limited period ending before the final determination by the county court of his appeal under s.204(1) ('the main appeal'); or

(c) to cease exercising that power before that time, he may appeal to the county court against the decision.

(3) An appeal under this section may not be brought after the final determination by the county court of the main appeal.

(4) On an appeal under this section the court –

(a) may order the authority to secure that accommodation is available for the applicant's occupation until the determination of the appeal (or such earlier time as the court may specify); and

(b) shall confirm or quash the decision appealed against, and in considering whether to confirm or quash the decision the court shall apply the principles applied by the High Court on an application for judicial review.

(5) If the court quashes the decision it may order the authority to exercise the section 204(4) power in the applicant's case for such period as may be specified in the order.

(6) An order under subsection (5) –

(a) may only be made if the court is satisfied that failure to exercise the section 204(4) power in accordance with the order would substantially prejudice the applicant's ability to pursue the main appeal;

(b) may not specify any period ending after the final determination by the county court of the main appeal.]

*Source: The Homelessness Legislation; Crisis, 2016*

*Relevant Case Law;*

(Mohammed) v Camden LBC [1997] 30 HLR 315

Panayioutou [2017] EWCA CIV 1624

### **Appendix 3 – General Terms**

1. The framework agreement will be on the basis of a four year term with the ability for call-off contracts to extend for an additional two years by mutual consent.
2. The tender response should include the proposed charging structure based on the following:-
  - a. The Council will pay a fixed fee proposed by the reviewer for each review including any Mohammad letters
  - b. The cost of any Mohammad letters completed by the reviewer will be included in the review price
  - c. Payments will be made after the successful completion of each review within the stated time frame.
  - d. There will be no financial liability for any enquiries required with other parties as part of the review process. Expenses for the reviewers travel will not be chargeable to the Council.

- e. If approval is not given by the appropriate Council for additional costs these will not be paid to the reviewer.
  - f. If any extensions of time are required by the reviewer this must be alerted to the Council immediately who need to agree any time extensions requests and further the Council has the option of withdrawing the review from the reviewer if they are not completed within the specified time and part payment would be made up to the point of withdrawal for the work completed to that date.
3. The Council or the contractor may terminate the Agreement by serving three months written notice with effect from the date specified in such notice.
  4. The Councils reserve the right to conduct any reviews themselves and is not obliged to provide any work to the contractor.

#### Appendix 4 - Performance indicators

Indicator	Quarterly Target
Number of decision letters sent to the council within 50 calendar days	85%
Number of extensions requested with reasons	15%
Number of complaints upheld by the council	No more than 2 complaints

#### Timescales within the Specification

Day 1	Review request from the Requesting Party
Within 5 working days of Review request	Council to notify contractor of review request by this date, including sending background information
Within 2 working days of referral	Contractor to acknowledge receipt of review request to the Council
Within 50 calendar days of Review request	Contractor to send copy of decision letter to the Council to check and send out to the client
Within 2 calendar days of requesting an extension	Contractor to notify the Council
Within 2 working days of complaint receipt	Contractor to send copy of the complaint to the Council
Within 3 working days of Council request	Contractor provides information to facilitate complaint response by the Council

# Agenda Item 7

## Part A

<b>Report to:</b>	Cabinet
<b>Date of meeting:</b>	22 January 2018
<b>Report of:</b>	Head of Housing
<b>Title:</b>	Housing Service New Operating Model - Implementing the Homeless Reduction Act 2017

### 1.0 Summary

- 1.1 This report sets out the planned changes to the housing services operating model for dealing with the requirements of the Homeless Reduction Act 2017. The report sets out the changes that will be necessary to the customer journey and supporting processes, the organisational structure and the job roles contained within it, technology requirements to deal with the provision of services to meet the requirements of the act and the information requirements of the service going forward.

The service must specifically deliver a housing service to meet the obligations of

The Housing Act 1985  
The Housing Act 1996  
The Housing Act 2004  
The Homeless Reduction Act 2017.

- 1.2 Primarily the changes to the service have been necessitated by a number of factors;-

Changes required to comply with The Homeless Reduction Act 2017  
Changes required to deliver the Watford 2020 Vision and Principles  
Changes required to improve service provision and deliver operational efficiencies.

- 1.3 To meet the requirements of the Homeless Reduction Act 2017 (HRA) the service is implementing a new housing software system. This brings with it new capabilities and potential which require an element of service redesign to fully exploit. The housing service asks Cabinet to agree the changes to the service operating model and approve the organisational structure changes which will support the delivery of the new model and the finance for the proposed changes.

## 2.0 Risks

2.1 See Risk Log attached – Appendix C

## 3.0 Recommendations

3.1 It is recommended that the new customer journey based on the Watford 2020 Vision and principles be adopted.

3.2 It is recommended that the services organisational redesign and its associated costings be approved.

### **Contact Officer:**

For further information on this report please contact: Ayaz Maqsood, Head of Housing telephone extension: x 8902 email: ayaz.maqsood@watford.gov.uk

**Report approved by:** Nick Fenwick (Deputy Managing Director)

## 4.0 Detailed proposal

4.1 A revised Customer Journey is put in place which is aligned with the Watford 2020 vision and principles and which improves the customer experience and delivers operational efficiencies.

The Homeless Reduction Act 2017 will not only increase the demand placed on the service in terms of absolute numbers it will also increase the amount of work that needs to be done with each customer and places a duty on local authorities to keep the plans it produces in conjunction with clients under review. In order to mitigate the effects of this increased demand the service examined its current customer journey and looked to change this to minimise the staffing increase required and at the same time improve the customer experience.

Currently housing provides a drop in service for clients which sees them attending on the day and seeing a housing officer after filling in a paper form. This process means housing officer time is wasted collecting and entering applicant details onto the

computer system and more importantly the housing officer has little to work with and initially is unlikely to be able to do much with the client other than give some basic advice. This leads to an element of failure demand and multiple visits for the client.

The new customer journey will see customers completing their application online using either the new housing systems web pages or the housing system apps. Where necessary this online application will be supported or mediated. This may be done by either council staff in the shared service centre or housing or by our third sector partners. The only drop in service offered will be for those who are “homeless on the day”. The system will produce for customers a draft plan as well as providing them with housing advice and signposting to relevant agencies dependent upon their housing issues. This application will then be triaged and the customer contacted so that any information required creating a detailed housing plan or processing their application can be collected. Where possible the triage service will try and resolve the client’s issues but if they are unable to do so they will escalate to an interview with a caseworker who will have the necessary skills and experience to help the client produce a relevant and fit personal housing plan.

In putting together a personal housing plan the caseworker will ensure that they utilise services provided by the third sector as well as in house resources and will make referrals where appropriate. The caseworker will then continue to work with the client and keep their plan updated and under review until the client’s issue is resolved.

Further details on the customer journey can be found in Appendix A.

- 4.2 A revised Organisational Structure is put in place with revised job descriptions which allow the service to best meet its duties, deliver the requirements of the HRA, improve service resilience and improve staff retention.

The new organisational structure has been put in place to achieve a number of objectives.

- Cope with the anticipated demand increase
- Provide increased resilience to the housing function
- Exploit the efficiencies afforded by the new housing IT system
- Reflect the changes required in staff skills and competencies required to deliver the act.

An exercise was undertaken to estimate the increased staffing requirements that the service will require to deliver the requirements of the HRA. This was based on the methodology and assumptions used by the Association of Housing Advice Services and are based on the experience of Welsh authorities and London Trailblazers in



implementing the act. This exercise can be found in Appendix B.

Efficiency savings from the new customer journey and housing IT system were factored in and used to reduce the number of posts required and minimum staffing increase levels were identified. Thought was given to how the structure could provide more resilience for the service in both operational and management roles and also how the service restructure could provide clearer career paths in an effort to ensure that recruitment and retention could be improved, an important consideration at this time of increased demand for housing professionals.

From this a structure was put together which is thought would have the potential to deliver a statutorily compliant service. A proportion of the roles are different enough that the changes to the job descriptions were substantial and need to go through job evaluation to confirm the job grades.

This has resulted in a structure that the service feels it will be able to recruit to with most of the current staff being able to slot into one of the new roles. There will be a small number of staff whose jobs will be placed at risk though it is likely that there will be suitable jobs for them in the new structure which they could apply for.

The main changes around the new structure are as follows:

#### **Creation of Triage Service**

The triage service will be the first line of contact between the client and the housing service. This will remove a component of the lower level admin work that caseworkers currently deal with and move it to officers at a lower level. The triage service will also undertake the administrative function in relation to the housing register (HR) and choice based lettings (CBL). By creating a specific team and amalgamating the administrative work for HR and CBL the service will not only gather information in which to proceed with housing advice and homeless applications in a more efficient manner it also increases resilience in relation to both the administration of the housing register and the choice based lettings schemes. This role is also seen as a good entry level role into the housing service, with progression available to Caseworker. The triage officer role is not seen as location specific and potentially could lend itself to being home sourced giving the potential for the council to further reduce its accommodation requirements going forward.

#### **Creation of the Property Officer Role**

The property officer role amalgamates three current roles and will give the housing service the best opportunity to acquire and manage lettings with which to discharge our obligations. By amalgamating the roles in a more general property role the service builds much needed capacity in this area and increases the resilience of the service over the current model where business continuity is threatened by having specific

roles with only one individual in those roles.

### **Creation of the Senior Property Officer Role**

This role supports the Housing Supply Manager and Property officers, in particular deputising for the Housing Supply Manager in their absence. The role involves liaising with landlords, the procurement of property, contract monitoring, overseeing placements in temporary accommodation, and management of the private sector access scheme.

### **Creation of the Housing Performance and Policy Trainee Role**

This role will support the strategic and policy aspirations of the service and will provide support to the management team in developing the Housing Department's strategic approach and assisting in managing the performance of the section. This role will undertake the contract monitoring that will be required, specifically the contract for the IT provision and with the reviews provider as well as any contracts / Service Level Agreements that end up in place with external partners.

The change in the organisational structure has been supported by a growth bid that is within the Budget report and is aligned with the additional cost of the service of £165k

A full breakdown of the current and proposed structure and relevant costings can be found in Appendix B along with a copy of the growth bid submitted.

## **5.0 Implications**

### **5.1 Financial**

5.1.1 The Shared Director of Finance comments that a growth bid is included in the 2018/19 budget proposals.

### **5.2 Legal Issues (Monitoring Officer)**

5.2.1 The Head of Democracy and Governance comments that the councils HR policies will be complied with when undertaking the proposed reorganisation. The proposed increase in establishment numbers will need to be approved by Cabinet and Council during budget setting. The council will need to have regard to the provisions of the GDPR in setting up the new IT systems and also have appropriate contracts in place if third party providers are to process personal data on the council's behalf.

### 5.3 **Equalities/Human Rights**

#### 5.3.1 An equalities impact assessment is underway though not yet complete.

As this is a change in service delivery, an equalities impact analysis is being undertaken. The emerging conclusions of that analysis are:

Accessibility to the service is increased as the service will now provide online capabilities to not only make applications to the housing register and choice based lettings but also to apply for housing advice and make a homeless application. Customers will also be able to upload their own documents onto the housing system unlike presently where they need to physically submit documents. This change should help those with mobility issues who may struggle to attend the housing service in person.

The service is aware that there are a proportion of clients who may find difficulty in making an online application either because they do not possess equipment on which to make an online application or the capability to make an online application. In order to mitigate this service will intend to provide both supported and mediated self-service. This can be provided through the customer service centre or through some of our third party partners who have indicated a willingness to support their clients make applications.

The new housing IT system is able to use Google Translate and therefore is able to be a system that applicants can use in languages other than English. This should be helpful to those clients for whom English is not a first language.

The service will monitor delivery in these areas and amend the process if required.

### 5.4 **Staffing**

#### 5.4.1 There is an increase in staffing which is outlined in both 3.2 and in more detail in Appendix B

### 5.5 **Accommodation**

#### 5.5.1 The accommodation requirements of the housing service will change. The emerging customer journey model is one where all initial applications will be made online. Where required this might require some sort of mediated access and it is has already been established that some of our third party partners are prepared to do some of this

mediated access for some cohorts of customers. However, there will be a requirement to retain the provision for mediated and supported self-serve at the customer service centre. Our outline accommodation requirements have been relayed to the Facilities Management Section Head who is overseeing the changes to the council's buildings and in particular the building changes that will affect the customer contact centre. These requirements have also been relayed to the Customer Services Section Head.

For these customers, it is anticipated they will need access to a PC (ideally private) and the facilities to scan and upload documents (which can also be completed via an app accessed via phone or tablet). Information from other organisations which take a similar approach indicate that up to 90% of people are typically able to self-serve.

As they move through the customer journey a high proportion (approximately 70-80%) of those presenting will require an interview. It is known that demand will increase, though not by how much. Local Authorities in Wales, who have already implemented the HRA, have seen a 26% increase in presentations whilst the London Borough of Southwark, a pilot area for the legislation, has report a 50% increase in presentations. It is anticipated that the increase in demand in Watford will be closer to the 50% because of the similarities with London Boroughs in terms of current housing supply and demand. As a result, it is expected that the number of customers applying for housing to be between 25 and 30 a week on average, with 70 to 80% of these requiring interviews. The number of interviews expected would therefore be somewhere between 18 and 24 a week, with interviewing lasting approximately 2 hours.

## **5.6 Community Safety/Crime and Disorder**

- 5.6.1 The service does not envisage any changes that will affect community safety or crime and disorder.

## **5.7 Sustainability**

- 5.7.1 The increased move to online services and vision to share access to our housing systems will mean a reduction in the printing, storage and dissemination of documentation increasing the sustainability of the council. In addition to this the move to a daily bidding cycle for properties under choice based lettings will improve the asset usage of our registered providers.

The reduced requirement for clients to be physically present in our buildings will also we believe reduce the amount of journeys undertaken in Watford by clients who need to interact with the housing service.

## **Appendices**

- Appendix A – Customer Journey
- Appendix B – Organisational Redesign
- Appendix C – Risk Log

## **Background Papers**

- No papers were used in the preparation of this report

## **File Reference**

- None

## Appendix A – Customer Journey

### Introduction

The HRA will change the ethos under which housing services operate. It was decided to re-examine the customer journey and look to see if a different model could improve the process for customers and help the service meet the outcomes of both the Watford 2020 Vision and the Homeless Reduction Act 2017.

The service created a number of personas that describe a variety of customers with various profiles and different issues. The service then created “to be” journeys for those personas that described what we saw as the ideal journey. These journeys led us to create an ideal overall journey with variations for different customers. This ideal journey was drawn up as a service blueprint. This led to the identification of questions we need to answer and clustered critical moments and ideas to potentially resolve them as well as the development of a problem statement that develops strategic themes and tactical solutions.

An example of one of these “personas” can be seen overleaf

Hafiz Family - Customer Journey



Hafid and Ayisha are a young couple aged 27 and 25 who have a 3 year old baby girl Kaamil. They are currently renting a 1 bedroom flat in Watford but are being evicted as the landlord wants the property back for her own use. They have received a section 21 notice. They have no rent arrears and have been in the property for 6 years. Hafid works as a taxi driver, his car is purchased on finance and is essential for his work. They are just about managing and have no debts or county court judgements. There only credit agreement is for the car. The pair have no savings and although they expect to get their deposit back it no longer represents the average deposit for Watford. In any case they do not see how they can come up with the deposit and customary month in advance.

	Initial Enquiry		Process Application		Appointment		Case Management
	Search Online	Phone Enquiry / Face to Face	Online Application	Initial Triage	Pre Appointment Work	Appointment	Monitoring
Key Activities	Review content on housing website for options and advice.	Calls customer services or comes to customer service centre. Talked through the process. Redirected to web site.	Complete online enquiry, providing details relevant to the application. Upload relevant documents	<ul style="list-style-type: none"> <li>Review application and ensure all documentation in place.</li> <li>Check legality of any eviction notices.</li> <li>Contact and liaise with landlord.</li> <li>Ensure applicant goes on housing register.</li> <li>Liaise with relevant council teams.</li> <li>Clarifying income and expenditure.</li> <li>Potentially prevent homelessness.</li> <li>Book appointment with housing caseworker.</li> </ul>	<ul style="list-style-type: none"> <li>Review case details.</li> <li>Negotiate with landlord.</li> <li>Review and add to lessons learnt log.</li> <li>Confirm details of case.</li> <li>Confirm appointment.</li> <li>Review outline PHP</li> <li>Identify third parties or experts who can add value to plan production</li> </ul>	<ul style="list-style-type: none"> <li>Go through case</li> <li>Create PHP</li> <li>Get customer to sign and agree PHP</li> <li>Potentially prevent homelessness</li> <li>Make referrals</li> </ul>	<ul style="list-style-type: none"> <li>Check on delivery against customers plan</li> <li>Check effectiveness of referrals</li> <li>Update plan</li> <li>Discharge duty</li> </ul>
Mood	Anxious Worried	Anxious Worried	Anxious Worried Hopeful	Anxious Worried Hopeful Relieved	Anxious Worried Hopeful Relieved	Overwhelmed Worried Anxious Relieved Positive	Overwhelmed Worried Anxious Relieved Positive
Touch Points							
Opportunities	Can provide advice which might be applicable.  Opportunity to signpost to agencies that can help or redirect to third party property websites.  If they can not resolve the issue then the customer can commence their online application.	Opportunity to reassure.  Commence management of customer expectations.	Online process negates need to have physical staff in the housing service.  Potential reduced accommodation requirements.	Potentially prevent homelessness  Identify opportunities for caseworker to progress	Potentially prevent homelessness  Identify experts / third parties to get involved  Identify lessons learnt to improve service	Increase customer understanding of options  Manage customer expectations  Move customer to more proactive position  Hold at accommodation of applicant	Prevent homelessness  Discharge Duty  Manage Expectations

These individual customer journeys were taken and aggregated to find the common points and an ideal summary customer journey produced. This summary journey is the one we expect most applicants to follow. Where it is not suitable for customers to go through this summary journey we will identify them early and look to manage the customer in the most appropriate way.

### **Key Points on the Summary Journey**

Multiple entry points into the service are available.

All entry points lead to the creation of an online application whether by the applicant or through supported or mediated self-serve.

Online applications will be routed through a triage team.

Triage team will take the application and either be able to actively prevent or they will ensure that sufficient information and documentation are collected from the customer to enable the case to go forward into casework.

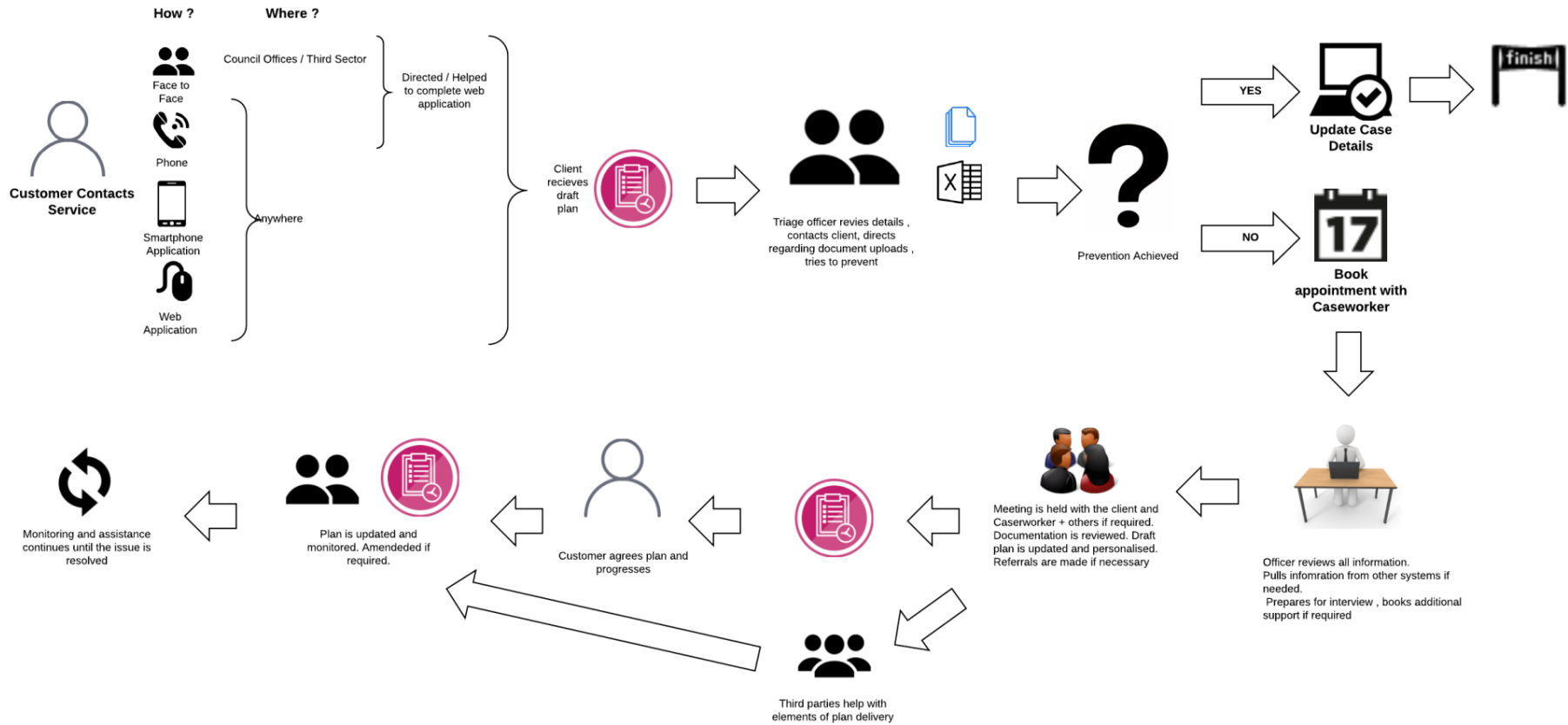
Where casework needs to be undertaken it will do so in the form of a managed appointment.

Casework will be undertaken by suitability qualified housing staff with the assistance of third party partners if it is felt this could be valuable to the client.

Casework will lead to the production of a personal housing plan which will be monitored for delivery in line with the requirements of the Homeless Reduction Act 2017.



# The Summary Journey



**Legend**

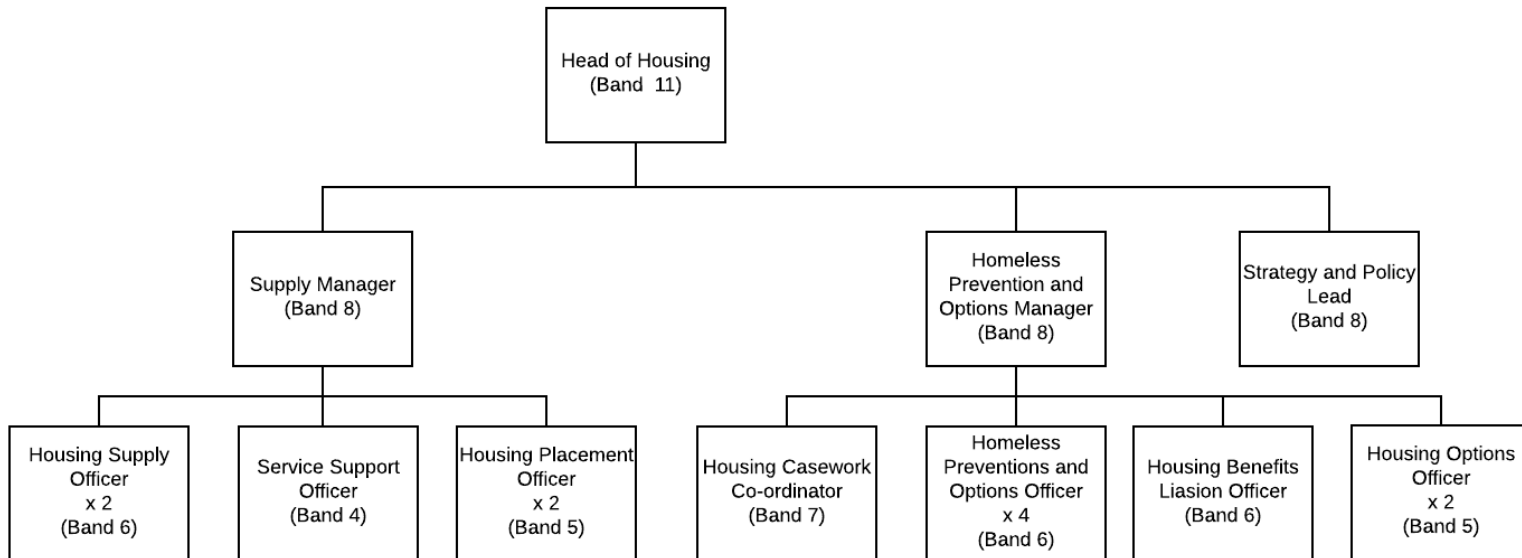
	<b>Step definition</b>
	<b>Hidden step definition</b>
	<b>Touchpoint</b> The touchpoint, a factual description of where this step occurs
	<b>Actor</b> Who is the actor(s) present here? May be more than 1
	<b>System</b> What systems are being interacted with to make the step and touchpoint "go"
	<b>Policy</b> The policy is a rule, unwritten or written, that dictates something that impacts the step
	<b>Observation / Fact</b> The observation or fact is a place to add more detail to the step that isn't any of the other type of layers.
	<b>Metric / Data</b> Metric and data is a note for when we have hard/soft numbers to call out
	<b>Question / Unknown</b> This is a question we have about the scenario we can't answer
	<b>Critical Moment</b> Critical moments are breakdowns, frictions, failures and major red-alerts to call out
	<b>Idea / Opportunity</b> Ideas and opportunities are for capturing "What if we" ideas or inspirations - not solutions

	1	2	3	4	5	6	7	8	9
	Initial Application		Triage			Pre-appointment	Appointment	Monitoring	
<b>Step definition</b>	Customer makes initial contact regarding homelessness	Initial triage as to where customer needs to be routed	Triage officer contacts customer and prompts to complete fully and upload document	Triage officer communicates with stakeholders to try and prevent homelessness	Triage officer makes appointment	Caseworker reviews the case prior to interview	Confirm and check facts. Produce and agree PHP	Updating of plan	Monitoring of plan
<b>Hidden step definition</b>									
<b>Touchpoint</b>	<ul style="list-style-type: none"> <li>Online</li> <li>Customer Service Centre</li> <li>Approved partner location</li> </ul>	<ul style="list-style-type: none"> <li>Back office</li> <li>At point of presentation</li> </ul>	<ul style="list-style-type: none"> <li>Online</li> <li>Phone</li> <li>Face to Face</li> </ul>	<ul style="list-style-type: none"> <li>Phone</li> </ul>	<ul style="list-style-type: none"> <li>Online</li> <li>Phone</li> <li>Face to Face</li> </ul>	<ul style="list-style-type: none"> <li>May make contact with client or 3rd parties to confirm facts, prevent or seek attendance</li> </ul>	<ul style="list-style-type: none"> <li>Face to Face interview</li> </ul>	<ul style="list-style-type: none"> <li>Online</li> <li>Face to Face at third parties</li> </ul>	<ul style="list-style-type: none"> <li>Online</li> </ul>
<b>Actor</b>	Customer	<ul style="list-style-type: none"> <li>Customer</li> <li>Triage Officer</li> </ul>	<ul style="list-style-type: none"> <li>Customer</li> <li>Triage Officer</li> </ul>	<ul style="list-style-type: none"> <li>Triage Officer</li> <li>Landlord</li> <li>Benefits Team</li> <li>DWP</li> <li>Environmental Health</li> <li>Social Services</li> <li>ASB Team</li> <li>Police</li> </ul>	<ul style="list-style-type: none"> <li>Customer</li> <li>Triage Officer</li> </ul>	<ul style="list-style-type: none"> <li>Customer</li> <li>Triage Officer</li> <li>Caseworker</li> <li>Third Party</li> </ul>	<ul style="list-style-type: none"> <li>Customer</li> <li>Caseworker</li> <li>Third Party</li> </ul>	<ul style="list-style-type: none"> <li>Customer</li> <li>Caseworker</li> <li>Third Party</li> </ul>	<ul style="list-style-type: none"> <li>Caseworker</li> <li>Housing Manager</li> </ul>
<b>System</b>	<ul style="list-style-type: none"> <li>Councils homeless system</li> <li>Partners IT System</li> </ul>	Councils homeless system	Councils homeless system	<ul style="list-style-type: none"> <li>Councils homeless system</li> <li>Benefits System</li> <li>Rent Deposit Checker</li> </ul>	Councils homeless system	<ul style="list-style-type: none"> <li>Councils homeless system</li> <li>Outlook diaries</li> </ul>	<ul style="list-style-type: none"> <li>Councils homeless system</li> <li>Ad Hoc tools</li> </ul>	Councils homeless system	Councils homeless system
<b>Policy</b>	Customers must complete an online application	Complexity and age will determine where the case will go	Full details and min document requirements needed to move to appointment stage	<ul style="list-style-type: none"> <li>Councils homeless system</li> <li>Benefits System</li> <li>Rent Deposit Checker</li> </ul>	Caseworkers must keep diaries up to date on system	Need to manage customer expectations	Plans must be agreed or reason for non agreement recorded	Not sticking to plan could be a reason for discharge of duty or lead to review	Manager will monitor caseloads and ensure timescales kept to
<b>Observation / Fact</b>	If necessary the online application will be made with mediated support	<ul style="list-style-type: none"> <li>Under 24 &gt; hyh</li> <li>Complex &gt; IT</li> <li>Simple &gt; Council</li> <li>DV &gt; Refuge</li> </ul>	Failure to provide required documentation could cause process failure	Triage Officer updates online account and plan if relevant	Appointments 18 to 27 a week	How do we ensure early warning of need to have third parties there for appointments	As part of production of the PHP referrals may be made to third parties	Would be useful if agencies working with customer could update plan	Caseworker will need to proactively monitor case and perhaps intervene
<b>Metric / Data</b>	Presentations 25 - 34 a week	Presentations 25 to 34 a week	What use could we make of other council systems i.e. benefits	Triage prevents if possible or ensures everything ready for a clean interview	What will diary availability look like. Will we schedule diarisable slots in caseworkers diaries	Use draft plan to commence management of expectations	What will referral routes and joint working protocols look like	How do we resolve data protection agreements between various partners	Manager will be reviewing and perhaps prompting caseworkers
<b>Question / Unknown</b>	What appetite do our partners have to carry out this process on our behalf	Can we create an algorithm to determine where client will go?		Will partners be prepared to update our systems	How do we prioritise clients for diary slots. Probably not FIFO	Shared access and shared use of systems	Need to understand ROI on interventions v cost of TA	Early warning and monitoring of plan and non compliance vital	How do we strike the right balance between system prompts and notifications - proactive v passive monitoring
<b>Critical Moment</b>	What will volumes be and what will the split be between council / partners	For clean journeys customers need to be routed correctly		Approved partner model only works if they are prepared to update our systems	CSF - Availability of diary slots within prevention period	Co Location	Effective partnership working and effective sharing of resources	How do we incentivise customers to update and progress their plan	Early warning and monitoring of plan and non compliance vital
<b>Idea / Opportunity</b>	Need to ensure customers have access to computer systems & ability to upload documents	Need to ensure sufficient capacity to deal with right volumes at the right place		Use api's to feed from partner system to ours	Could customers book their own appointments in the long term?		Create costed intervention toolkit	Need to have timelines and notifications / dashboard warnings	
	Provide device to allow customers to upload documents if they don't have their own methods	Need to clearly communicate to customers what housing routes are			Could we produce a forecasting model		Create directory of resources	Clear communication around consequences of not updating plan	
		Mobile housing workers who can flex to demand					Co Location	Gamification of plan	

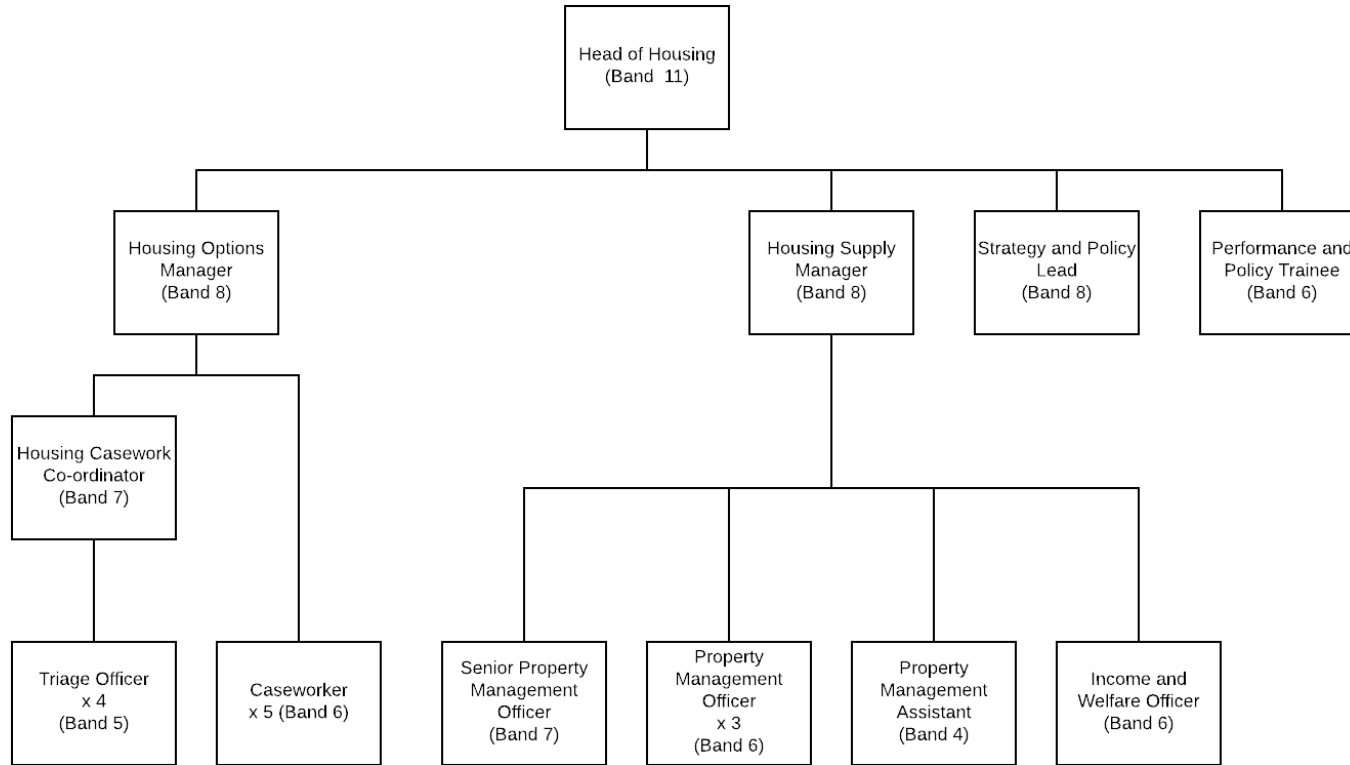


## Appendix B – Organisational Structure

### Current Organisational Structure



# Proposed Organisational Structure



**Additional Staffing Requirements based on Method of Association of Housing Advice Providers**

<b>Area Required</b>	<b>FTE (26% increase – Welsh Experience)</b>	<b>FTE (50% increase – Southwark Experience)</b>
Document verification	0.9	1.1
Plan production	0.9	1.1
Reviews	1.8	2.2
Decision Letters	1.0	1.2
Warning Notices	1.0	1.2
Additional PRS	2.0	2.0
<b>Total</b>	<b>7.6</b>	<b>8.8</b>

Programme	Watford 2020
Project	Housing Service Operating Model Implementation
Risk Log Owner	Dyfed Price, Housing Service Project Manager
Date	05/12/17

Ref	Raised by	Risk	Cause	Potential Impact	Tolerance	Status	RISK SCORE			Mitigation	Action Taken	UPDATED RISK SCORE		
							Likelihood 1-4	Severity 1-4	Risk Score			Likelihood 1-4	Severity 1-4	Risk Score
HIR1	Dyfed Price	Software required to help with the impact of the Homeless Reduction Act is not available and in place by April 2018	Whilst several software suppliers are producing software to assist with HRA there is nothing in place yet.	Without software to support the council in discharging its duties under the HRA bureaucracy will be increased. This will lead to a significantly increased staffing requirement	Treat	Open	2	4	8	Active discussions with present and alternative software suppliers. Investigation into potential implementation timescales with all suppliers. Consideration to backup manual / semi manual process	15/12/17 - Functional specification with HC, awaiting detailed delivery plan 08/11/17 - Contract signed for new software supplier. Implementation commenced. Current project plan will get the system live by mid February 2018	1	4	4
HIR3	Dyfed Price	We are unable to engage sufficiently with external stakeholders to bring about the changes in relationships and working practices required to minimise customer handoffs and bring about successful preventions and interventions in respect to homelessness	External stakeholders unwilling or insufficiently resourced to engage or not sufficiently aware of the impact of the HRA.	Processes and customer pathways do not end up as efficient and customer centric as they could be	Treat	Open	3	3	9	Put together comprehensive and compelling communication to external stakeholders. Engage Early. Utilise existing forums and relationships. Consider use of interlocutors such as homeless link	02/11/2017 Discussions taken place with New Hope and CAB as well as hyl. Definite appetite for working closer together. Caseworkers have been shadowing the intervention team and further meetings arranged to decide how to progress this area. 16/10/17 Initial discussions held with herts young homeless. Meetings arranged with HOPE to discuss ways forward	2	3	6
HIR5	Dyfed Price	Staff do not have the required skillset or are unable to adapt to the new ethos required by the Homeless Reduction Act	Fundamental change in the delivery of housing and homelessness services will be brought about by the HRA. Skills and aptitudes needed are very different from the traditional function	Failure to deliver against the ethos of the HRA. Resulting in large number of reviews, ineffective provision of homelessness services, worsening KPI's and increased TA costs.	Treat	Open	2	3	6	We will redesign roles and organisational structure. Recruit to new roles.	15/12/2017 Training with New Hope confirmed 05/12/2017 Coaching training for PIE sourced with New Hope . Expected delivery date Jan/Feb 08/11/17 - Draft new roles produced. Volumes not yet agreed. Working through with HR 16/10/17 Operating model workshops undertaken. Capability requirements defined. Delivery options being considered and worked through	2	3	6
HIR6	Dyfed Price	We are unable to engage sufficiently with the internal services to bring about the closer working relationships and changes to processes that are required to successfully deliver the Homeless Reduction Act	Historical context of relationship issues with some departments and ongoing problems and lack of engagement.	Inability to improve processes and collapse end to end times. Reduced customer experience and outcomes	Treat	Open	3	3	9	Work closely with identified services and establish business champion from relevant services. Articulate benefits and costs of non alignment and escalate if appropriate	08/11/17 Representation from relevant teams on project board. Will bring into project teams as required, further conversations required			
HIR8	Dyfed Price	Inability to recruit the new staff members that are required to deal with the impact of the HRA or losing existing quality staff to other authorities as the demand for housing staff increases	There will be major competition for housing staff. Agencies are already starting to recruit in anticipation of increased demand. Councils are beginning recruitment and increasing salary levels to attract staff.	We could lose quality staff and fail to attract staff with the skills and experience to deliver HRA successfully.	Treat	Open	3	3	9	Revise Roles and Responsibilities and organisational structure. Move away from an experience approach and recruit on the required skills and aptitudes. Develop career development routes and multiple routes into the housing service. I.e.. Graduate recruitment, apprenticeships, grow your own and direct entry	21/11/2017 Apprenticeships identified 02/11/2017 Working through organisational designs and job roles as well as understanding capabilities required. Further discussions needed around budget available and size of workforce. 16/10/17 Talked through emerging requirements with HR . Exploring various delivery models and potential of apprenticeship schemes etc	3	3	9
HIR9	Dyfed Price	Inability to source and commission a provider to deal with the increased volume of reviews that we are likely to have or the ability to accurately forecast appropriate volumes and ensure a suitable contract	Current provider of review services not performing to kpi targets. We know there will be a significant increase in the number of reviews that are likely to be made. Lack of government guidance on the review process means many councils	Inability to meet statutory timescales around conducting reviews. Increased risk of legal challenge. Increased costs to the council and reputational damage. Being late to tie up a call off arrangement could lead to increased	Treat	Open	3	3	9	Investigate options around delivery of reviews. Informal conversations with review providers. Examination of contract frameworks. Options appraisal to be conducted.	21/11/17 Review providers being looked at. Soft market testing underway.			

Ref	Raised by	Risk	Cause	Potential Impact	Tolerance	Status	RISK SCORE			Mitigation	Action Taken	UPDATED RISK SCORE			
							Likelihood 1-4	Severity 1-4	Risk Score			Likelihood 1-4	Severity 1-4	Risk Score	
HIR10	Dyfed Price	The service does not have sufficient resource to deliver the project.	Service is working hard on delivering BAU. Lack of skilled resource within the team.	Increases risk to project delivery. Business Continuity risks	Treat	Open	3	3	9	Interim project manager in place with sufficient skills and experience to lead on project and provide BA and transition support. Look at what BAU can do dropped / delayed to prioritise project delivery. Use of short term sprints to rotate staff in and out of project.	21/11/17 Project team member back to casework form 0212. Will monitor 02/11/2017 Further staff member working part time on project. Functional specification prioritised. 21/09/2017 - Internal staff allocated to project on a full time basis. Project timeline increased to address revised scope.	2	3	6	
HIR11	Dyfed Price	Wholesale reorganisation will result in department being issued with at risk letters. These are likely to impact on morale and lead to potential difficulty in engaging staff and delivering wholesale transformational change.	Skills required by HRA different to those traditionally required by housing options staff. Opportunity being taken to look at wider remodelling of housing service	Staff fail to engage, performance drops, potential long term sickness leading to lack of capacity within the service to deliver change required on already tight critical paths.	Tolerate	Open	3	3	9	Extensive stakeholder and change management will need to be in place. Contingency plans to bring in interim staff for delivery of BAU if required. Look at the options of commissioned provision.	15/12/2017 - New structure shared with staff and consultation commenced 04/12/2017 Will slot most staff into place, only handful of jobs will be placed at risk. 02/11/2017 HR timeline in place. Staff communication started. Potential revisions around some of this work following meeting on 01/11/2017	3	2	6	
HIR13	Liam Hornsby	Data migration can be a complex issue and require technical expertise. This is further complicated by the need to rely on an existing supplier who we are leaving. This has the potential to significantly impact on project implementation timescales, complexity and resource requirements.	Need to retain access to existing data. Ability to extract and cleanse existing data from the existing system. Complexity of creating data entities and matching old data to new fields.	Delay to project implementation timescales. Potential cost increase. Added complexity	Treat	Open	3	3	9	Consideration is being given to clean system implementation in respect of the housing register. Manual data input of existing homelessness cases. Potential to treat data input as training exercise for staff in respect of new legislation and moving existing customers onto HRA pathways	21/11/17 Request to Locata for requirements. Will look to do this as a joint exercise with Three Rivers. 02/11/2017 Discussions have commenced with LOCATA about extracting and archiving our data. We will create draft and outline HR records for existing applicants who can then sign in and reapply.				
HIR14	Nick Fenwick	Risk we do not sufficiently articulate our accommodation requirements to facilities management and customer services leading to future problems.	There is an existing review of property requirements underway but the housing project is not yet at the stage to articulate its requirements as the operating model is not yet defined.	No accommodation available to implement new housing operating model for customers in the way envisaged	Treat	Open	3	3	9	Envisage and articulate likely accommodation requirements based on Best case. Worst case and likely case scenario. Revise and update customer services and facilities management as soon as details are nailed down.	11/12/2017 Joint meeting for all sections affected is being organised by head of transformation 08/11/17 - Outline requirements sent to Ian Browne 13/10/17 - Meeting arranged with Ian Browne to understand CSC accommodation plans and integration of Housing requirements on the 23rd October				
HIR15	Laura Payne	We have been notified that the finance system is changing and the new system will not be able to cope with the rent accounting for temporary accommodation.	Changing of finance systems	No system available to run rent accounting for temporary accommodation.	Treat	Open	4	2	8	Examine and cost various options, which are 1. Procure new rent accounting system 2. Bespoke housing system to add rent accounting functionality 3. Commission out rent accounting to 3rd party i.e. WCHT 4. Run manual spreadsheet system	15/12/2017 - Still awaiting return of specification 01/12/2017 - HC will return a specification for our consideration next week				
HIR2	Dyfed Price	Impact of increased opportunity to review decisions not fully understood. Lack of guidance as to how simultaneous and multiple appeals on the same case will work. This results in us not fully understanding likely staffing requirements in this area and we run the risk of either over or under staffing in this area.	Lack of government guidance on how they expect local authorities to operate in regards to appeals. Difficulty in forecasting how likely customers are to take advantage of increased ability to appeal	We may not have enough officers to deal with the volume of appeals in designated timelines. Conversely also have the opposite risk of overstaffing in preparation for appeal volumes that do not arise.	Treat	Closed		3	3	9	Attempt to refine forecasting based on current appeal volumes v increased appeal opportunities and by examining the experience of pathfinder authorities. Examine options in regards to outsourcing appeals on some form of call of basis.	08/11/17 - Guidance is out and clear around review process. Volumes are not predictable but clarity around review process. 02/11/2017 Draft code of guidance released. It clarifies the review points and procedures. Guidance clear that internal reviewers need only be senior to person making decision and not involved in the original decision. No change in the	2	3	6
HIR4	Dyfed Price	Existing software system is not capable of supporting the changes to processes that will be required to deliver the HRA, NPSS, and Transformation 2020 changes that are required to maximise efficiency and the customer experience.	Software system lacks ability to tailor without bespoke amendments. Software has probably suffered by being developed to meet needs of a consortium rather than WBC specific. Lack of internal capability and support has led to accepting status quo	Processes and processing are not as efficient as they could be. Significant elements of failure demand in the back office as a result of software system inadequacies.	Treat	Closed	4	3	12	Examine options in relation to either replacement of total housing system or exploring potential around making the existing software fit for purpose.	08/11/17 - New software system procured 19/09/2017 - Options being explored. Clarity around the capacity and capabilities of other systems. Lack of understanding currently around HRA offer of current supplier. Investigations ongoing  16/10/17 G cloud procurement process followed. Software identified. Procurement underway	3	3	9	



Ref	Raised by	Risk	Cause	Potential Impact	Tolerance	Status	RISK SCORE			Mitigation	Action Taken	UPDATED RISK SCORE		
							Likelihood 1-4	Severity 1-4	Risk Score			Likelihood 1-4	Severity 1-4	Risk Score
HIR7	Dyfed Price	Lack of resources and appetite within the council to deliver the large of volume of change that the project requires to be truly successful	Historical change context and general council resource profile. Lack of central resource to support and assure project. Possible lack of understanding of shift that HRA will necessitate.	Failure to bring about truly transformational change and revert to slow paced incremental change	Treat	Closed	3	3	9	Articulate clearly why the project requires a major paradigm shift in delivery and assure SLT as to capability to successfully deliver required change by producing a comprehensive delivery plan with understood critical paths and risks and contingency plans. Articulate risks around perceived safe approach.	22/09/2017 - Discussion at programme board indicated an appetite for a more far reaching project that addresses the delivery of the wider housing service.	2	3	6
HIR12	Dyfed Price	The requirement to add three rivers to the implementation is likely to add complexity to the project in terms of the design of the functional specification which will cause a delay in implementation start dates , extend timescales and has the potential to result in a suboptimal design from WBC's perspective	New requirement to involve three rivers in the implementation	Implementation timescales are delayed, complexity is increased and sub optimal design ensues	Treat	Closed	3	3	9	Discuss potential to not make this happen. Rework project plan. Fall back to contingency situation. Raise to project board	Raised with home connections to better understand implications. They are communicating directly with three rivers. Looking at joint but separate implementation to allow for full functionality specification from WBCs perspective.  16/10/17 Risk closed now project issue			

# Agenda Item 8

Part A

**Report to:** Cabinet  
**Date of meeting:** 22 January 2018  
**Report of:** Head of Service Transformation  
**Title:** ICT Strategy 2017 - 2020

## 1.0 Summary

1.1. The Watford 2020 programme vision, is that:

“Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council.”

1.2. To deliver this ambitious transformation agenda the council will be heavily reliant on ICT and digital to deliver the expected benefits.

1.3. Under the Watford 2020 Programme, the ICT Strategy has been developed to articulate how ICT will support both the delivery of core business and this transformation agenda over the medium-term and how we will respond to and exploit technological advances. This builds on the stable foundations laid over the last 18 months or so and those that will be laid by the Core Infrastructure Transformation Programme.

## 2.0 Potential Risks

Nature of risk	Consequence	Suggested Control Measures	Response	Risk Rating
The Strategy points towards a transition in funding model for ICT from capital to revenue and an “...as a service” consumption model.	Total cost of ownership for ICT anticipated to reduce; however increases in revenue funding for both councils are anticipated to be a challenge therefore this may not be possible despite the anticipated benefits.	Detailed options appraisal and business case to be developed to identify the benefits for changing funding model and how this can be achieved.	Treat	9
The councils’ ambitions for the use of ICT are bold with a requirement and desire to deliver change rapidly.	Ambition around pace of change may need to be constrained to de-risk successful delivery	Robust planning and business case development to ensure expectations are managed around the pace of change and any required constraints.	Treat	4

Insufficient funding may be available to deliver the initiatives identified within the ICT Strategy	Additional funding will need to be identified or ambition / pace of change will need to be constrained to fit within the available funding profile.	Robust planning and business case development to ensure funding requirements are known and agreed.	Treat	4
The ICT Strategy has been developed based on assumptions about the future operating models of the council as known and articulated in the latter half of 2017.	These assumptions may prove to be invalid and therefore the strategy recommendations may not be appropriate moving forward.	Continue review of the ICT Strategy as the future operating models of the councils develop and evolution of the strategy if requirements change.	Treat	4
Long-term Applications contracts may constrain our ability to deliver the ICT Strategy.	The pace of change may need to be revised to be co-terminus with the end of key applications contracts.	Review of all Applications contracts to understand when they end, break clauses and the likely impact they could have on the delivery of the ICT Strategy.	Treat	4

### 3.0 Recommendations

- 3.1. That Cabinet approve the ICT Strategy 2017 - 2020.
- 3.2. That any future minor amendments are delegated to the Head of Service Transformation in consultation with the Portfolio Holder for Resources and Customer Services.

Contact Officer:

For further information on this report please contact: Andrew Cox, Head of Service Transformation

Telephone extension: 01923 278124 email: [andrew.cox@watford.gov.uk](mailto:andrew.cox@watford.gov.uk)

### 4.0 Background

- 4.1. The ICT Strategy has been developed by the ICT Section Head and Head of Service Transformation with support from an external consultant with significant expertise in developing and delivering ICT Strategy in the UK Public Sector and local authorities in particular.
- 4.2. The Strategy articulates a vision for the ICT service and key principles that it will seek to deliver over

the term of the Strategy.

- 4.3. Additionally the strategy identifies a set of objectives to be secured and a set of initiatives (that can be identified at this point) that will be delivered to meet these objectives. The infrastructure improvements over the last 18 months, combined with the new ICT structure provides the platform for the first time for both councils to implement this strategy and transform the user experience going forward.
- 4.4. The Executive Summary to the Strategy is included at Section 5 of this report. The full Strategy is included as an Appendix.
- 4.5. Oversight of the strategy is provided by an ICT strategy board involving the responsible portfolio holders at Watford and at Three Rivers as well as the officer led ICT steering group. The Board will ensure the strategy is kept up to date and that resource requirements across the two councils are identified.

## **5.0 Executive Summary**

### **5.1. Vision**

#### **5.1.1. The ICT Service's vision is to:**

"Provide a stable and secure platform to support the effective and efficient delivery of services to customers."

### **5.2. Major Principles**

#### **5.2.1. We have identified six major principles.**

1. Flexibility - the platform should work to support all the users, from all parts of the organisation, in ways that best meet their needs
2. Stability - the platform should be resilient against disruption and change, preferring established solutions to novel ones
3. Security - the platform should protect the information of users and customers
4. Simplicity - the platform should be simple and easy to maintain, using standard products where possible
5. Supportable and Sustainable - the platform should be one we can support, technically, financially and politically
6. Business driven - ICT should inform and support the business in making changes to the way the Council operates

### **5.3. Objectives**

#### **5.3.1. Our primary business objective is to support and enable council services to deliver effective and efficient services to their customers – the residents, businesses, visitors and staff of Watford and Three Rivers. Supporting this at a more granular level are the following specific objectives:**

- To provide a stable and resilient environment to support council services

- To provide a secure environment, compliant with all legal information requirements
- To support the councils by enabling them to provide more effective services and deliver them in ways that customers want to receive them
- To enable council employees to work in a more collaborative, flexible and agile fashion
- To support the aspirations of the users and provide a high-performing service
- To reduce the total ownership burden associated with implementation and support of the ICT systems

#### 5.4. Initiatives

##### 5.4.1. Initiatives due for completion by the summer of 2018 are:

- Upgrade the email solution
- Upgrade the server and desktop operating systems
- Upgrade databases
- Replace the existing servers with an enhanced virtual environment
- Replace the storage area network (SAN)
- Install new routers and switches
- Install new racks
- Refresh power supplies
- Implement new Active Directory configuration
- Provide new Disaster Recover (DR) capability
- Meet Public Services Network (PSN) requirements for e.g. security and patching
- Continue improvement journey to deliver required performance levels across all areas of ICT to meet the needs of customers

##### 5.4.2. Initiatives for 2018 and beyond are (subject to business case and budget/funding streams):

- Implementation of a new telephony solution and Unified Communications
- Implementation of document management solution(s) - line of business and standalone as appropriate
- Supporting services in the automation of existing processes and replacement of applications
- WBC CRM replacement
- Asset management

- Applications portfolio
- Maintain PSN compliance for 2018/19 and beyond
- Migration to cloud based systems and hosting
- Migration to cloud based Office solutions, including email
- Ensure ICT service deliver the required performance levels across all areas of ICT to meet the needs of customers

#### 5.5. Direction of Travel

5.5.1. The direction of travel for ICT to be delivered through this Strategy period and beyond, subject to business cases is that:

- All infrastructure (including communications) is offsite / cloud-based
- Everyone uses mobile devices for everything
- The councils may own no hardware at all, apart from desktop devices
- All networks are virtual
- All Council equipment reports its presence to an IoT dashboard
- The councils pay for what they use rather than what they think they will need

### 6.0 Implications

#### 6.1. Financial

6.1.1. The Shared Director of Finance comments that the strategy has not been costed and any additional funding required will be brought forward for approval as required.

#### 6.2. Legal Issues (Monitoring Officer)

6.2.1. The Head of Democracy and Governance comments that there are no specific legal implications at this stage of the programme.

### Appendices

- ICT Strategy 2017 - 2020

### Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- None

### File Reference



# ICT Strategy 2017 - 2020



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## **1. Executive Summary**

This is a brief summary of the Watford Borough Council (WBC) and Three Rivers District Council (TRDC) ICT strategy.

### **1.1 Vision**

The ICT Service's vision is to:

*"Provide a stable and secure platform to support the effective and efficient delivery of services to customers."*

### **1.2 Major Principles**

We have identified six major principles that are explained later in this document.

1. Flexibility – the platform should work to support all the users, from all parts of the organisation, in ways that best meet their needs
2. Stability – the platform should be resilient against disruption and change, preferring established solutions to novel ones
3. Security – the platform should protect the information of users and customers
4. Simplicity – the platform should be simple and easy to maintain, using standard products where possible
5. Supportable and Sustainable – the platform should be one we can support, technically, financially and politically
6. Business driven – ICT should inform and support the business in making changes to the way the Council operates

### **1.3 Objectives**

Our primary business objective is to support and enable council services to deliver effective and efficient services to their customers – the residents, businesses and visitors to Watford and Three Rivers. Supporting this at a more granular level are the following specific objectives:

1. To provide a stable and resilient environment to support council services
2. To provide a secure environment, compliant with all legal information requirements
3. To support the councils by enabling them to provide more effective services and deliver them in ways that customers want to receive them
4. To enable council employees to work in a more collaborative, flexible and agile fashion
5. To support the aspirations of the users and provide a high-performing service
6. To reduce the total ownership burden associated with implementation and support of the ICT systems

### **1.4 Initiatives**

Initiatives due for completion by the summer of 2018 are:

- Upgrade the email solution
- Upgrade the server and desktop operating systems
- Upgrade databases

- 
- Replace the existing servers with an enhanced virtual environment
  - Replace the storage area network (SAN)
  - Install new routers and switches
  - Install new racks
  - Refresh power supplies
  - Implement new Active Directory configuration
  - Provide new Disaster Recover (DR) capability
  - Meet Public Services Network (PSN) requirements for e.g. security and patching
  - Continue improvement journey to deliver required performance levels across all areas of ICT to meet the needs of customers

Initiatives for 2018 and beyond are (subject to business case and budget/funding streams):

- Implementation of a new telephony solution and Unified Communications
- Implementation of document management solution(s) – line of business and standalone as appropriate
- Supporting services in the automation of existing processes and replacement of applications
- WBC CRM replacement
- Asset management
- Applications portfolio
- Maintain PSN compliance for 2018/19 and beyond<sup>1</sup>
- Migration to cloud based systems and hosting
- Migration to cloud based Office solutions, including email
- Ensure ICT service deliver the required performance levels across all areas of ICT to meet the needs of customers

## 1.5 Direction of Travel

The direction of travel for ICT to be delivered through this Strategy period and beyond, subject to business cases is that:

- All infrastructure (including communications) is offsite/Cloud-based
- Everyone uses mobile devices for everything
- The councils own no hardware at all, apart from desktop devices
- All networks are virtual
- All Council equipment reports its presence to an IoT dashboard
- The councils pay for what they use rather than what they think they will need<sup>2</sup>

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<sup>1</sup> The Councils were awarded their PSN compliance certificates in August 2017

<sup>2</sup> Subject to being able to support this through available funding streams as increases in revenue budget are not anticipated to be viable.

## 2. Introduction

This is the ICT Strategy for the shared ICT service that supports both Watford Borough Council and Three Rivers District Council. It covers the period 2017 to 2020 and sets out how the service will provide both councils with the stable, secure and sustainable IT infrastructure required in order to be able to offer services which are agile, high-performing and are focused on the needs of the customer. It describes:

- The vision and principles under which the ICT service operates and which influence any decision-making
- The general direction followed by the ICT service in terms of technology and plans covering the period 2017 to 2020
- Commitments made by the ICT service to support both councils in providing an effective service and the objectives and initiatives that have already been agreed
- Business objectives to be achieved between 2017 and 2020 and the technology initiatives that are already underway to achieve them
- The resources available to the ICT service and the constraints under which ICT operates
- How to work with the ICT service to support new initiatives and requirements
- How to influence or change this strategy

The strategy supports Watford Borough Council's transformation strategy and vision for Watford 2020, and the Three Rivers Digitisation strategy. It was created following extensive discussions and consultations with the services across both councils, and has been approved by the joint IT Steering Group (ITSG).

This document is intended for use by any employee of Watford Borough Council or Three Rivers District Council, and we will make it available to anyone seeking to engage with the ICT service.

The ICT service has responsibility for:

- Networks, including the connection to the internet and telephony
- Servers and other computer infrastructure
- Desktop computers and devices attached to those computers and the network (such as printers and scanners)
- Mobile devices that attach to council networks
- The security of the IT systems and the information held on those systems
- Providing email, office and electronic file storage services
- The environment within which applications reside (anything associated with the business application e.g. user training, contract management is the responsibility of the service that use them)

## 3. Background

### 3.1 ICT Shared Service

In 2009 Watford Borough Council (WBC) and Three Rivers District Council (TRDC) agreed to share four of their services, including ICT, Revenues and Benefits, HR and Finance. The objective of this was to reduce costs and increase efficiency.

The ICT Service therefore provides a single service to both WBC and TRDC, although some facilities (e.g. email) are kept separate. There is a single common ICT organisation, which is managed by WBC as the Lead Authority and a single Service Desk. This delivery model enables economies of scale, for example Watford provides disaster recovery for Three Rivers and vice versa, instead of each council needing to purchase its own secondary data centre.

From 2005 to 2010, IT infrastructure support for Three Rivers was outsourced to Steria, but this was brought back in-house under the shared service. In some areas there were incompatibilities between the Watford and Three Rivers implementations and so parallel implementations developed, reducing the efficiency of the shared service.

In 2013, the ICT Service was outsourced to Capita; however, due to problems with delivery, the contract was terminated early and the service was taken back in-house during 2016. Included within the Capita contract was a refresh and redesign of the ICT infrastructure; however limited progress was made with this. A mixed service delivery model was adopted following the end of the Capita contract, with some functions delivered in-house with others delivered by partners, the most notable of which is the partnership with Amicus ITS to deliver service desk and network management functions.

A root and branch refresh of the infrastructure in both councils has taken place during 2017, following the design proposed by Capita, and this Core Infrastructure Transformation Programme is expected to continue until mid-2018. When this is completed it will leave the councils with a solid foundation on which to build new business processes and implement this strategy.

In order to inform the development of this ICT Strategy a consultancy, Freedom Communications, carried out an extensive consultation and met with service heads and other stakeholders to gather service requirements during late 2016 and early 2017.

This strategy is based on the understanding of business requirements gathered through Freedom's engagement and other requirements that have been identified through the development of TRDC's Digitisation initiative, the Watford 2020 transformation programme and through the Core Infrastructure Transformation Programme. It has been informed by a number of similar strategies developed by various local government bodies and combines their approaches.

### 3.2 Watford Borough Council

Watford has an active strategy of developing their capabilities and see IT as a critical part of this. The Watford 2020 programme includes requirements for greater agility and flexible working, with a clear dependency on the use of mobile solutions.

The Watford 2020 Transformation Programme seeks to change Watford Borough Council into a customer-focused, digitally-enabled and commercially-minded organisation. They want to become more agile and see the use of IT as critical to providing this.

Watford has a business vision and a strategy including increased use of technology both within the Council and to support citizen services. As an example they have implemented a LoRaWAN low-power network to support the use of Internet of Things devices.

### **3.3 Three Rivers District Council**

Three Rivers are engaged in a digitisation initiative, converting paper documents and processes to electronic ones in order to increase efficiency and reduce the need for storing paper. Three Rivers seek to use IT to increase flexibility and to improve their use of building space, while still delivering a stable and reliable service.

Three Rivers are also engaged in a programme of work to digitise their interactions with their customers utilising the capabilities of their Firmstep CRM product to drive channel shift by customers and efficiency in the backoffice through integration with line of business applications.

### **3.4 Local Government in the UK**

Local Government in the UK currently exists in a context of decreasing resources and simultaneously increasing pressure to provide technically sophisticated services. The levels of grant available from Central Government are being reduced over the next three years, but Councils are under pressure to maintain or enhance services. Digital enablement of services is generally seen as a possible way to achieve an improved service at a lower cost and the Cabinet Office has been applying pressure on local government to move face-to-face services to web pages and services that can be accessed by mobile phones.

Historically, local government IT systems have generally either been massively centralised (e.g. mainframe applications for tax and rates) or else small desktop applications for the use of one or two people. Where possible, IT departments try to standardise on a small number of products in order to reduce their support costs. This is harder in local government than in many other areas, since each council has a diverse range of services (Housing, Planning, Revenues & Benefits, Environment etc.) in addition to the usual back office functions (Finance, HR, etc). Through this strategy we aim to increase the level of standardisation while still providing sufficient support for the range of functions required.

### **3.5 Technology Trends and Direction**

Current technology trends are away from locally hosted systems and towards external hosting of both applications and data in the Cloud, since this is generally perceived to be more efficient and have lower costs. Although some councils' have gone down this route, there are concerns about privacy and security issues, and substantial pressures to apply greater levels of governance in this area. In particular, in 2018, the EU data privacy regulations (GDPR) will become law, and any new developments will need to be compliant with them.

There is also pressure to provide unified, personalised communications through a wide range of channels, particularly mobile. The use of mobile phone apps is currently dominating development and there may be pressure to follow other councils down this route. Other areas, such as the Internet of Things, suggest that over the next few years there will be a need for more robust wireless network infrastructure and that data volumes will continue to increase.

The trend within all IT departments is to monitor assets much more closely than in the past, defining their expected life and preparing to replace them on a regular basis. This monitoring all assesses the use of storage and networks, to ensure that they are being used in an efficient fashion. Where it is predicted that resources will run low this supports the taking of early steps to provide additional resources. This methodology supports a reduction in the overhead required to manage IT resources.

Moving to a more Cloud-based environment involves a transition from a largely capital-based model of payment for ICT. The Cloud model is one that is dominantly revenue-based and is dependent on the actual usage of services rather than requiring substantial advance investment in infrastructure.

### 3.6 Our Current Technology Provision

At the end of the contract with Capita the state of the ICT infrastructure was poor. Examples of this being servers that had not been maintained, systems that had not been patched, applications that had not been upgraded and data that had not been archived when it should have been. Active Directory had not been maintained and in some cases the number of user licences bore only a slight resemblance to the number of actual users. The desktop estate was failing with the majority of the estate still running Windows XP.

Since the end of the Capita contract significant progress has been made to address this situation:

- Desktop devices have been replaced across the entire estate to a mixed economy of Dell thin form factors, Dell laptops and Windows Surface Pros. XP has been completely removed and there is a mixed model of Windows 7 and Windows 10.
- Wi-fi has been rolled out across the majority of the estate and this roll-out is planned to be completed by early 2018
- Core Infrastructure stabilisation work is ongoing through the Core Infrastructure Transformation Programme – importantly the user experience is already significantly better

Through the Core Infrastructure Transformation Programme the objective is to move to a stable and fit-for-purpose infrastructure that supports the core workings of the councils now and will be a foundation for the future direction as outlined in this strategy. This doesn't necessarily mean migrating to the latest version of certain technology (e.g. Exchange), as from the current situation that is not possible and a series of upgrades is therefore required.

In general the ICT (application) provision is currently based on conventional systems, mostly hosted within the councils' onsite data centres, although there are some remotely / cloud hosted systems. As would be expected in local authorities there are a significant number of database applications; however this needs to be reviewed with a view to rationalisation as we need to ensure we make best use of our largest systems and minimise the applications portfolio to only those that are absolutely necessary to make the environment simpler to support and to reduce cost.

## 4. ICT's Vision and Principles for Delivering Services

### 4.1 Vision

Our vision is to:

*"Provide a stable and secure platform to support the effective and efficient delivery of services to customers."*

### 4.2 Principles

Principles are short statements of direction that help us make decisions in accordance with the strategy. These do not cover all areas, but concentrate on the areas that define the strategy. For instance, all systems have a legal obligation to be compliant with accessibility legislation, even though this is not a principle.

#### 1. **Flexibility – the system should work to support all the users, from all parts of the organisation, in ways that best meet their needs**

Rationale – The ICT shared service supports both Watford and Three Rivers, two organisations with a different approach to IT. As a result, we have to be flexible and any decision we take needs to allow for that difference in approach. We will try to consider solutions that are applicable across both Councils, and preferably across multiple services.



In addition, ICT will support the services in the development of flexible and agile ways of working. Working practices are changing and we should not lock ourselves into assumptions about how the systems will be used. Where possible, we will favour options that include mobile access and the ability to work where the problem is, rather than always from an office. Our staff have a wide mix of skills and we need to be able to adjust to different ways of using ICT that do not require traditional IT training.

We are entering a time of uncertainty for local government and we need to be able to continue to provide a good service throughout. Choosing a flexible strategy will enable us to change direction as necessary, particularly if new technical developments provide the opportunity for us to take advantage of them.

## **2. Stability – the system should be resilient against disruption and change, preferring established solutions to novel ones**

Rationale – change for its own sake adds to the complexity of the Councils' ICT systems, increases the cost of supporting it and makes it more likely that there will be problems. A stable environment, using known quantities, is preferable to one providing short-term benefits at the risk of destabilising other parts of the system.

Where possible, our solutions should be designed in such a way as to reduce the risk of failure by providing a secondary failover capability that will restore service without requiring manual intervention. Although the initial capital cost may be slightly higher, the total cost over the lifetime of the solution will be lower since it reduces the cost of disruption to services.

Both internal systems and any hosted or Cloud-based services must consider stability, business continuity and disaster recovery when they are being designed or procured.

## **3. Security – the system should protect the information of users and customers**

Rationale – the Council has a responsibility to the customers to keep their information secure and to comply with the requirements of the GDPR and similar legislation. In all cases, information must be kept securely, either by protecting it within the Council data centres, or by contracting with third parties to store it externally (hosted or Cloud) in an auditable and certified facility.

This requires the cooperation of all services in developing and using business processes that ensure ICT and the Councils are able to meet their obligations for safe storage.

Although we need to share information if we are to provide a good service to the customers, we must do this in a way that ensures the information is protected against loss or misuse.

## **4. Simplicity – the system should be as simple and easy to maintain as possible, using standard products where possible**

Rationale – ICT, like the rest of the Council, need to deliver a high-value service at low cost. The complex nature of many systems, and the complications that ensue when they are run together in the same environment, means that they tend to be expensive to maintain and require a lot of attention. Where possible, we should buy services rather than systems and should favour those that can be easily automated, requiring a minimum of intervention. If we can provide a good service using something we already have, then we should do so. We will also buy products and services before developing our own.

This principle of simplicity should apply to the architecture as a whole. We will prefer solutions that are simple, easy to document and support, and which are consistent with all the other solutions in use. We will attempt to reduce product diversity, preferring existing architectures, databases and vendors over novel solutions. Where we can, we will move to shared platforms throughout both councils. We will use products where we can readily find people with the skills to maintain them,

instead of complex proprietary solutions. Where possible, we will avoid point solutions and instead use generic ones.

We will prefer solutions that are digital by design and do not require manual intervention to tie lots of different processes together, since manual stages introduce the risk of error and require additional documentation.

**5. Supportable and Sustainable – the system should be one we can support, technically, financially and politically, on a long-term basis**

Rationale – ICT is resource-constrained and technical skills are currently in short supply. Any solution needs to be one that can be supported by ICT with the allocated budget and resources.

Solutions should also comply with Council aspirations from an environmental point of view – making best use of physical and energy resources that do not damage the environment. Where the Council needs to become commercially-driven, we should be able to support that direction.

Any decisions we make are likely to affect the way we work for years to come, and we do not want to end up with a solution that we cannot support and will need to be replaced in a couple of years. We also want to avoid solutions that are dependent on particular individuals with specialist skills, since this sort of solution is likely to be fragile in case of disaster or other problems.

**6. Business driven – ICT should inform and support the business in making changes to the way the Council operates**

Rationale – the role of ICT is to ensure that the business, Council services and operations, provide the best service they can. Although ICT can present options and suggest ways forward, it is still the responsibility of the business to present their vision for how they want to deliver services.

ICT need to identify the opportunities which can be provided by technology to deliver significant efficiencies, and communicate these opportunities to the business. ICT also needs to support the Councils in their desire to become more commercial and to act in a more business-like fashion.

## **5. Our Aims and Objectives**

During the business engagement the councils identified the following business objectives and the ICT service will work towards realising them. In some cases, there are projects already underway to support the objectives.

**1. Provide a stable and resilient environment to support council services**

In order to meet the councils' business objective of delivering high-performing services, we need to provide them with an environment where they can rely on the tools they work with.

A programme is under way to refresh the ICT infrastructure and to reconfigure it in such a way as to make it more resilient, as well as easy to run and support. This is a bottom-up reorganisation including network switches, storage & backup, physical & virtual servers, active directory etc. The objective is to reach a point at which it will be possible to make longer-term strategic decisions such as migration to the Cloud without risking the stability of the overall environment.

We will provide a system that:

- Is stable and performs well under normal operating conditions
- Is resilient, can be quickly and easily restored in case of failure, with a minimum of downtime in case of an emergency requiring disaster recovery
- Is kept backed up
- Is kept up to date

- Is continually monitored to ensure it does not run out of space or other resources
- Meets the needs of the users
- Follows best practice recommendations in all areas

This stable foundation represents the basic capability of ICT to provide a service. Additional services will be built on top of it.

## **2. Provide a secure environment, compliant with all information requirements**

To provide certain services, we need to be able to connect to other government systems, and to do this we have to meet stringent security standards. The council infrastructure and associated application services will need to be compliant with the requirements of GDPR by mid-2018, as well as, in the near term, needing to meet various codes of connection that also require us to have secure systems (PSN, PCI etc.). Our objective is to gain PSN certification in 2017 and every year from then on. In partnership with the councils' SIROs<sup>3</sup>, we also expect to be able to pass a GDPR health check before May 2018 when the legislation comes into force. This will require the development of new ICT processes and procedures to meet the requirements, as well as ensuring that the infrastructure is secure.

- We will help the councils to manage their information securely and process it digitally, rather than requiring manual intervention and paperwork
- We will work with the services to ensure that their information is secure and their processes are compliant with GDPR
- We will provide the capability to consolidate documents and data in order to make it easier for the services to manage their information, and to carry out document and records management
- We will monitor the infrastructure, maintaining firewalls and other security devices to ensure the service remains compliant with security constraints
- We will monitor the environment and ensure that it remains secure by applying patches and upgrades in a timely fashion

The objective of running a secure environment will sometimes conflict with other objectives, and may reduce the satisfaction of users. At such times, we will attempt to provide the best service that still allows us to meet our legal obligations.

## **3. Support the councils by enabling them to provide more effective services and to deliver them in ways that customers want to receive them**

Our objective is to help the councils' services provide a better service to customers, and to make this provision more effective by enabling digital access to council services through the websites. We will support the councils in their drive to develop services that are digital-by-design, which require a minimum of human intervention and which make the best use of council information. Where possible we will support the automation of services or provide systems that can be automated in future.

We will provide electronic self-service, both for customers and for internal users, in order to improve the efficiency and speed with which services are delivered.

Our ultimate objective is to develop a service that is high-performing and works in a way that customers require it to work, including meeting their future needs. All information should be shared between systems (where legally agreeable) to reduce the need for asking customers to provide the

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<sup>3</sup> Senior Information Risk Officers

same information repeatedly and to prevent repeated data entry with the risk of introducing mistakes each time. We will enable services to reduce paperwork to a minimum and help them to move all forms and paper-based processes to digital by 2020.

We will support the automation and integration of council processes, reducing the need for human intervention in interactions between customers and the councils. As a necessary precursor to this, we will adopt a policy of favouring the purchase of systems that can be automated or that expose an application programming interface (API).

#### **4. Enable council employees to work in a collaborative, flexible and agile fashion**

Discussions with the services revealed that they want to work in a more flexible and agile fashion than the way that local government has traditionally delivered services.

Subject to the provision of funding, we will provide employees with tools that enable them to work in an agile way. We will make it possible for them to use desktops, laptops, mobiles, tablets and other devices to do their jobs in the most efficient way and at the most efficient location. The use of new Cloud-based office and collaboration tools will reduce the dependency on access to the council networks and data centres. We will ensure that smarter ways of working are available.

We will implement a unified communications system that incorporates voice, mobile, text and IT systems and we will help our customers to share information more effectively with each other and with other agencies.

Where possible, and where we can ensure that data remains secure, we will support council users in working at remote sites, from informal locations or those convenient for our customers and from home.

We will ensure that internal data structures can be changed to support reorganisations and the formation of flexible working groups as these are required. We will support fluid and flexible business processes, to the extent that these are permissible within the framework of government regulations.

#### **5. Support the aspirations of the users to provide a high-performing service**

We will support both councils in their efforts to deliver a service that meets their vision for the future.

In Three Rivers this means supporting them to deliver their requirements to rationalise office accommodation and to work in a flexible, agile and mobile fashion moving from a predominantly paper-based environment to a digital, paper-free environment.

In Watford they also want ICT to support a flexible, agile and mobile workforce. Additionally we will support their aspiration to be a digitally-enabled organisation through the use of automation and integration between the front and backoffice to ensure their processes are digital by design.

#### **6. Reduce the total ownership burden associated with implementation and support of the IT systems**

Through a number of initiatives, over time we will be able to reduce the costs of maintaining and supporting the ICT estate, which will also support an increase in performance:

1. Pro-active monitoring of our entire ICT estate to ensure that risks to performance and delivery are identified as they are developing and (where possible) action taken before they become an issue, which generally would result in a loss of service and require significantly more resources to fix than preventing the issue from occurring.

2. Standardised builds for desktop devices on a standard portfolio of devices enabling a reduction in time spent building devices and improving the ability to respond when issues occur through a hot-swap type methodology
3. Ensure that systems are upgraded and properly licensed at a time when it makes economic sense to do so, rather than delaying and incurring financial penalties as a result
4. Move away from the use of on-site data centres to a cloud / off-site model of operation

## 6. Initiatives

To meet the business objectives, we are carrying out a number of technical initiatives including those which have already started in 2017 with the Core Infrastructure Transformation Programme. These include the procurement and implementation of new technology and applications, reconfiguration of legacy systems, production of documentation, and the development of new business processes.

### 6.1 Current Initiatives

The following initiatives are already in progress. Additional initiatives will follow:

1. Core Infrastructure refresh (across both Watford and Three Rivers)
  - Upgrade email solution
  - Upgrade server and desktop operating systems
  - Upgrade databases
  - Existing servers are being replaced with an enhanced virtual environment
  - New storage area network (SAN)
  - New routers and switches
  - New racks
  - Refresh power supplies
  - New Active Directory configuration
  - Provide new DR capability
  - Meet PSN requirements for e.g. security and patching
2. High level enterprise architecture
  - Document existing and refreshed architectures to increase supportability
  - Document new DR capability to support increased resilience
  - Define standards and principles for managing the IT systems and the enterprise architecture
  - Develop a Standards Register to control the procurement of new systems and to simplify the architecture

As the Transformation Programme develops at Watford, and the Digitisation programme develops at Three Rivers, there may be requirements to implement new initiatives in order to support their objectives.

## 6.2 Proposed Initiatives

In order to support the delivery of the Watford 2020 Transformation Programme and the Three River Digitisation initiative, subject to a business case and budget, we will introduce a number of supporting initiatives, including:

- Implementation of a unified communications toolset offering audio and video conferencing, presence awareness, instant messaging and a simplified user interface, extending across all areas of both councils currently using landline or mobile telephony including within the contact centres
- Implementation of a structured document management solution, including (where appropriate) the digitisation of existing paper documentation and the replacement of manual processes with automated ones
- Support services in the automation of existing processes and replacement of applications with ones that can be automated, reducing the need for manual intervention in processes and speeding up the processing of customer interactions with the councils
- Support the replacement of the existing Watford CRM system and the development of a new set of simple and standardised business processes based around citizen life events, adopting tell-us once principles
- Development and maintenance of an asset register covering all hardware, software and information assets owned by the councils
- Meet the requirements and standards of the PSN Code of Compliance, supporting our security objective
- Support the SIRO's to meet the requirements and standards of the GDPR in advance of it becoming a legal requirement
- Adoption of Cloud-based office and email (e.g. Office365), to increase the level of flexibility and enable agile working practices (e.g. transparent handoff between different devices and in different locations);
- Development of an applications portfolio in order to reduce the diversity of applications, reduce licensing costs and clarify the architecture

Technology-based initiatives are also covered later in Section 8.

For a more detailed explanation of the planned initiatives, see the ICT Roadmap (RoadmapAppendix 2) and the ICT plan (ICT Plan 2017).

## 7. What ICT will do to support the business

The feedback we have received from the services and senior management included a requirement for ICT to work in partnership with services. It is always the responsibility of ICT to support other council services; however, there are times when ICT can best do this by providing good advice beforehand, so that problems don't happen in the first place.

ICT will:

- Work with services to understand their needs and how we can best help them to support customers
- Work with services to develop a partnership approach to meeting their requirements for applications and infrastructure

- Work with services in meeting legal and data privacy obligations such as the GDPR
- Provide timely information on unexpected costs or changes in timescales that will affect the provision of ICT
- Provide guidance on how technical solutions can meet the business requirements of services, and suggest the solutions that are best aligned with our strategy and principles
- Provide advice and guidance on the management of electronic data and information, at all stages in its life cycle from creation to destruction
- Proactively reach out when there is a need or an opportunity to make use of new technology in a way that will benefit a service.

## 8. Technology

### 8.1 Technology Principles

The ICT service has a principle of simplicity and reducing the complexity of the IT systems and other technology. Where possible, we will reduce the diversity of existing technology and consolidate on a few preferred solutions.

- Our preferred technologies and technology vendors include Microsoft, Cisco, VMWare and HP. The general design model is to use a standard product and to configure it along conventional lines - we try to avoid development and custom design
- At present, our dominant model is that most systems run on-site, but with a few hosted solutions. In the future we will move to hosted and Cloud systems in accordance with our principles
- We will consolidate our use of applications, reducing the number of applications in use and using portfolio management to avoid duplicating functionality
- We will try to consolidate, where possible, our use of databases onto Microsoft SQL Server and away from both Oracle and Ingres. We will also reduce the use of smaller database technologies such as Access.

In the longer term, we want to move away from housing and supporting our own infrastructure. For instance, the development of better mobile communications standards may mean that we will be able to move away from providing our own wireless infrastructure in a few years. We will maintain an awareness of developments in the market to ensure we take advantages of these opportunities when they are viable.

In moving systems to externally-hosted data centres and the Cloud we can simplify our physical infrastructure, ultimately reaching the point of no longer needing our own data centres. This will reduce our overhead costs and simplify the task of providing the ICT service. We need to start designing for this future with our current systems in order to prepare for the changes to come.

### 8.2 Technology Areas

Technology areas currently under consideration include the following areas. We will need to discuss priorities with the IT Strategy Board, IT Steering Group and service heads:

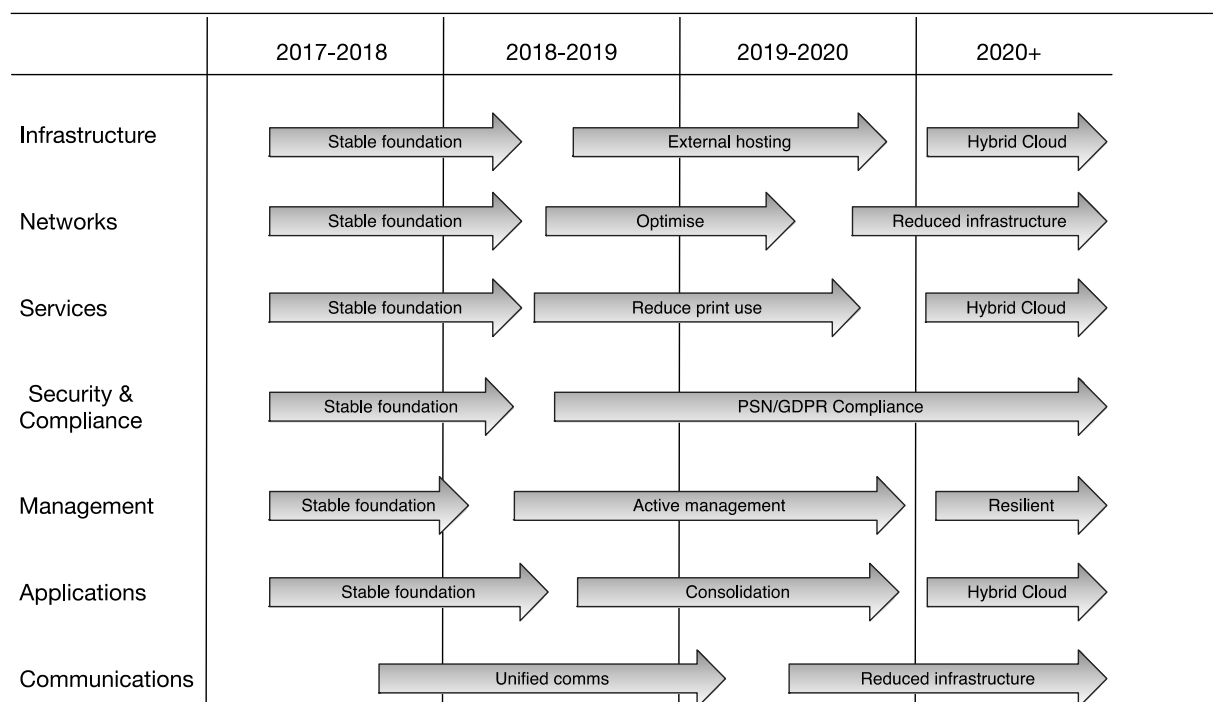
- Integrating communications technologies including legacy fixed line phone systems, mobile devices, wireless (802.11x) and others (e.g. LoRaWAN) to increase flexibility and support agile working

- Consolidating onto a single Windows version on desktop PCs and laptops by migrating away from Windows 7 and to Windows 10, in order to simplify support, reduce the complexity of licensing and improve security
- Developing guidelines and plans for integrating Cloud storage into our storage strategy and information repositories to ensure greater flexibility
- Consolidation of applications and platforms to reduce diversity and duplication, simplify licensing and increase efficiency
- Improving the security of the corporate networks in order to meet codes of connection (PCI, PSN) and national/international regulatory requirements (GDPR)
- Improving the flexibility and resilience of the WAN by restructuring and implementing virtual networks (VPLS)
- Developing a Configuration Management Database (CMDB) to support the automation of IT maintenance, increasing efficiency and improving performance in ICT
- Increasing the use of self-service capabilities in a number of areas and on a variety of platforms
- Selecting and implementing an alternative to the current AppGate service that will improve agility by providing flexible remote access for all users
- Designing the new VMWare environment in a way that will allow us to migrate the hardware to an offsite hosted facility (and, eventually, to the Cloud) in order to rationalise use of space and increase flexibility
- Investigating the use of Business Intelligence tools to extract more useful information from Council systems and to improve decision-making
- Improving network resilience to reduce the need for manual intervention during temporary changes in network connectivity.
- Development of a catalogue of standards to improve the consistency of procurement and to reduce the costs associated with non-standard solutions (including ITIL, PRINCE2, TOGAF etc.) This will include the development of policies, such as requiring that all applications be no more than 1 version behind the current version. Adherence to the standards will reduce the risk of security vulnerabilities associated with using obsolete software.

### **8.3 Roadmap/Blueprint**

The following diagram shows the high-level roadmap for the development of IT within the ICT shared service over the period 2017 to 2021. This is subject to change, and a revised version may be available from ICT.





A more detailed version of this roadmap is included in Appendix 2 to this document.

## 9. Finance and Resources

This section describes the high-level budget available to ICT and how it is applied. IT budgets cover a spectrum of resource allocation from day-to-day expenditure that is necessary to keep everything running, to strategic expenditure that has no immediate benefit to the organisation but is required to prepare for changes that may be a number of years in the future.

### 9.1 Financial Resources

The ICT service is financially supported by both WBC and TRDC in a proportion of 60% from WBC and 40% from TRDC. This allocation of costs between the two councils reflects the original utilisation of resources at the time of establishment of the shared service; however, resource changes at Watford mean that the two councils are now more equivalent in size, although there has been no change in cost allocation.

Approximate budget for 2017/18 from both councils is:

Type	Area	Watford / £,000	Three Rivers / £,000	Shared Service / £,000
Capital	Hardware replacement (to 2020/21)	200	45	45
	Project Management	120	45	-
	Business Application Upgrades (to 2020/21)	120	45	-
	Licences	-	100	-
Revenue	Estimated operating budget	126	300	1,300

Table 1: 2017/18 ICT budgets

The following initiatives will help to support the efficient use of financial and other resources:

- Monitor asset lifecycle
- Monitor expenditure, Total Cost of Ownership (TCO), Return on Investment (RoI)
- Separate infrastructure spend ('keeping the lights on') from strategic items
- Prioritise resource allocation

## 9.2 Other Resources

At present, due to the service's history of outsourcing, and in order to support both the current restructuring and the Core Infrastructure Transformation Programme, the service is provided by a mixture of permanent staff and contractors. Although the contractors are very skilled, they tend to be expensive and there is a retention risk. In order to reduce costs and increase stability, we will move to a model in which we predominantly permanent staff supplemented by contractors for specific purposes. The restructure to deliver this resourcing model is planned for delivery within 2017/18.

The structure and skills of the ICT service will need to evolve through the life of the delivery of the IT strategy, and provision to ensure that this is incorporated and considered will be included within our plans. As identified above we aim to reduce the total ownership burden associated with implementation and support of the ICT systems; however there are a number of initiatives that will need to be introduced, building on the foundations of a simple and supportable infrastructure, in order for this to be delivered.

## 10. Governance

This section describes how ICT works and how you can work with us to ensure that this strategy remains relevant. It also explains how to contact us in case you need to provide feedback on the strategy.

### 10.1 Strategy Governance

The 2017 exercise to develop the IT strategy found that a number of the services were asking for greater involvement in the governance process, principally the IT Steering Group. In future, the ICT service will:

- Encourage greater service participation and attendance at Steering Group meetings to ensure that everyone is aware of what is happening with ICT, and to cascade the information throughout their area of the organisation
- Institute a separate member-led IT Strategy Board to ensure that the services can also participate in the development of the longer-term strategy. This will include understanding the business needs of each service over the next 3-5 years and how these needs can be supported by the ICT service
- Update this strategy document annually, based on the requirements from each service
- Carry out a major revision of the IT strategy at least every three years to allow for any changes in the services, their strategies and in the technology landscape.

If this strategy is to be a useful document, rather than one that is left in a drawer, it needs to continue to remain relevant to the councils and the services. If the strategy no longer meets your need for IT support, you should come and talk to us.

### 10.1.1 ICT Strategy Board

The ICT Strategy Board will meet bi-annually to provide strategic oversight over the delivery and evolution of the ICT Strategy. This Board will have the following membership:

- Lead Member for Resources and Shared Services – Three Rivers District Council
- Portfolio Holder for Resources and Customer Service – Watford Borough Council
- Managing Director - Watford Borough Council
- Shared Director of Finance
- Director Community and Environmental Services – Three Rivers District Council
- Head of Service Transformation - Watford Borough Council
- ICT Section Head

Terms of Reference for this Board are:

1. Review progress in delivering the ICT Strategy
2. Make recommendations on updates to the ICT Strategy
3. Assess best practice and the changing technological world and how this should feed into future strategy
4. Assess and make recommendations on the level of resource required over the medium term to deliver the ICT Strategy

### 10.1.2 IT Steering Group

The IT Steering Group is responsible for agreeing priorities in relation to ICT related projects, ensuring that corporate objectives are considered. Additionally they have responsibility for approving IT policy. The Board meet monthly with the following membership:

- Shared Director of Finance
- Director Community and Environmental Services – Three Rivers District Council
- Deputy Managing Director – Watford Borough Council
- Head of Community and Environment – Watford Borough Council
- Head of Service Transformation - Watford Borough Council
- ICT Section Head

Terms of Reference for this Board are:

1. To fully evaluate all requests for ICT projects and consider their impact on the current IT priorities, IT systems and operations and agree a timeframe/priority for resource allocation and implementation subject to the required funding being available.
2. Monitor progress of all IT related projects
3. Review and approve Corporate ICT policies and procedures
4. Support initiatives to improve Information Security standards and related compliance including PSN
5. Review Information Security incidents
6. Monitor and evaluate IT risks, including business continuity and disaster recovery provision

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## 10.2 Operational Governance

The Shared ICT Service is managed by Watford Borough Council as the Lead Authority and is managed by the Head of Service Transformation.

The Service is ultimately governed from an officer perspective by the Joint Management Board and reports monthly to the Shared Services Operational Board (SSOB).

## 10.3 Engaging with ICT

If you need to work with ICT to support the development of Council services over the next three years, then you need to let ICT know what your needs are as early as possible. This strategy, and the technical architecture that underpins it, assume that the basic systems will remain unchanged for at least three years.

Going forward ICT will seek to have a stronger relationship with council services to be aware of their direction of travel and how IT needs to evolve to support their business objectives. We will support you in taking new requirements to the Steering Group and development of the required business case.

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## **Appendix 1. Watford Transformation Programme Vision**

Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council.

- Our high-performing services will provide an excellent customer experience and will be designed from the customer's perspective.
- Our services will be digital by design, exploiting opportunities provided by existing and emerging technology to deliver significant efficiencies.
- We will be innovative, bold and entrepreneurial in continually challenging ourselves to reduce costs, generate income and improve performance.

## Appendix 2. Roadmap

Infrastructure			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
Data centres (Server rooms)	Refresh TRDC server room Replace racks Service/replace UPSs	Remove unused legacy equipment (e.g. old 10Base5 cabling). Run down server room and move off-site to hosted/colo option	Run down use of server room(s) (and consolidate onto one/none, using hosted external site). Prepare to move hosted servers to Cloud
Server h/w	Replace outdated servers with new equipment. Decommission old servers	Replenish only with VMs or Cloud-based servers. Start moving h/w out to a hosted solution	Only replace systems with virtual/Cloud-based alternatives.
Server OS	Upgrade all unsupported servers from windows 2000/2003 to supported versions (2008/2012)	Consolidate on single solution (preferably Windows Server 2012 or 2016). Commence preparatory work and investigation with vendors, ready for migration off Windows Server 2008 by Q3 of 19/20. (Windows Server 2008 not supported from end-2019).	Monitor marketplace and upgrade/migrate as necessary
Storage	Replace existing NetApp SAN with new Nimble SAN	Investigate hybrid Cloud-based storage. Move SAN to hosted solution	Majority of storage offsite
Backup devices/Tape library	Upgrade backup to supported/licenced versions and move backup infrastructure to ComVault	Investigate hybrid Cloud-based backup. Move tape library to hosted solution	Cloud-based storage with Cloud-based backup from separate vendor
Virtualisation & Cloud	Create new virtual infrastructure using VMWare and migrate existing VMWare ESX VMs	Create hybrid virtual infrastructure with hosted/Cloud-based servers	Migrate majority of servers to Cloud-based, keeping only high-security systems on-site

Infrastructure			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
Desktops & User devices	Upgrade all unsupported desktops (e.g. Windows XP) to supported versions (mix of Windows 7 and Windows 10)	Standardise desktop builds. Consolidate all desktops on a single Windows version where possible (preferably Windows 10).  Commence preparatory work and investigation with vendors, ready for migration off Windows 7 by Q3 of 19/20. (Windows 7 not supported from end-2019).  Upgrade user desktop hardware	Upgrade desktops to current (or current -1) version.  Reduce dependency on desktop-based solutions where possible, replacing with tablet etc.

Networks			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
LAN	Replace old Cisco switches with supported versions	Monitor network capacity, upgrade as necessary	Monitor network capacity, upgrade as necessary
WAN/Internet	Improve resilience/remove single points of failure	Explore options for virtual networks Monitor network capacity, upgrade as necessary to support h/w hosted offsite	Monitor network capacity, upgrade as necessary
Wireless networks	Replace old wireless routers	Investigate private wireless networks with dynamic handover over 4G.	Move towards increased use of 4G/5G, deprecating 802.11 (wi-fi) infrastructure
Directory services	Design new AD schema	Implement new Active Directory schema Migrate from AD 2003 to 2012	On-going optimisation

Services			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
DR	Ensure storage is mirrored between sites	Ensure failover of HA VMs between sites on a	Extend DR to Cloud services.

Services			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
	Agree DR contract for equipment replacement Agree mutual use of Council offices in case of DR Agree formal DR plan Carry out DR exercise	fully dynamic basis Regular DR exercises Consider DR to offsite hosted/colocation	Regular DR exercises
Remote working	Replace existing AppGate service with CISCO AnyConnect	Majority of employees supported on (and using) remote solution	Dynamic service (everyone works remotely)
Printing	Consolidate on MFDs, remove remaining individual printers	Deprecate printing, reduce need for hard copy	Remove last printers?

Security & Compliance			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
Device encryption	Migrate onto standard desktop encryption product (Eset) Select mobile encryption strategy	All mobile devices using standard encryption, monitor using Mobile Device Management	Migrate to next encryption standard when necessary
Malware protection	Upgrade Eset to current versions	Monitor marketplace and upgrade/migrate as necessary	Monitor marketplace and upgrade/migrate as necessary
Filtering email/web	Upgrade solution – WebSense currently in use. We have a 3 year purchase on this – to 2019.	Consider moving to Cloud-based filtering solution	Monitor marketplace and upgrade/migrate as necessary
Firewall	Replace firewall	Migrate to next generation firewall Explore new security options such as virtual networks	Re-configure security according to current standards
PSN connectivity	Ensure ability to meet PSN Code of Connection	Fully PSN compliant	Monitor changes to requirements and meet



Security & Compliance			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
GDPR	Support the business to work to meet GDPR standard Identify DPO Document lawful processing basis for data Amend business processes Identify individual's rights requirements (e.g. RTBF data removal) Identify any data relating to minors Define strategy for e.g. cleansing backups	Compliant with GDPR at go live Update processes as law evolves	Fully compliant Monitor changes and update processes/solutions as necessary

Management			
Area	Short-term (2017-18)	Medium (2018 - end 2019)	Long (2020 and beyond)
Patching and provisioning	Implement patching for all servers via remote tools	Implement centralised configuration management database Automated provisioning?	Automated self-patching/self-healing configuration?
Monitoring	Implement additional monitoring	Live dashboard monitoring all servers, VMs and Cloud infrastructure resources	Automated monitoring including applications
Service Desk		Implement self-service solution with user access to service desk	Optimise self-service
KPIs	Develop automated KPI measurement	Monitor performance and revise as necessary	Monitor performance and revise as necessary

<b>Applications</b>			
<b>Area</b>	<b>Short-term (2017-18)</b>	<b>Medium (2018 - end 2019)</b>	<b>Long (2020 and beyond)</b>
General	Review application portfolio and develop plan to reduce duplication Upgrade all Line of Business Applications to supported versions	Remove unnecessary applications, replacing with generic solutions	Minimal applications portfolio. Majority of users on hosted/SaaS solutions
Productivity	Upgrade to current versions and ensure correctly licenced	Hybrid model with some users on Office 365, others on conventional Office	All users on Cloud-based Office
Exchange	Migrate from Exchange 2007 to supported version of Exchange (2013) Implement resilient configuration	Commence migration to Office365 version	Cloud-based email
CRM/Customer Support	Replace legacy Lagan CRM Replace legacy Proactive CRM	Develop digital by design business processes Integrate new CRM with other systems	Automate CRM business processes to reduce human element
Line of Business	Optimise use of IDOX and add additional capabilities  Upgrade all Line of Business Applications to supported versions	Optimise use of IDOX and add additional capabilities  On-going maintenance plan in place to ensure that applications remain within supported versions	Migration to Cloud-based alternatives
Other: Business applications already agreed to be replaced *subject to change	Local Plan Consultation Software	Dependent on service planning	Dependent on service planning
Databases	Upgrade SQLServer 2003 to SQLServer 2008 Analyse use of databases and document	Consolidate on (preferably) MS SQL Server Remove other databases where feasible	Master database shared by majority of applications

<b>Communications</b>			
<b>Area</b>	<b>Short-term (2017-18)</b>	<b>Medium (2018 - end 2019)</b>	<b>Long (2020 and beyond)</b>
PABX + Lucent handsets	Gather business requirements and tender for telephony solution	Replace with unified comms + VOIP handsets/headsets?	Entirely mobile, virtual PABX. Deprecate and remove handsets
Unified Comms	Select Unified Comms solution	Implement Unified Communications solution with presence monitoring	Converge on integrated mobile solution
Mobile	NA	Migrate to 4G/mixed handover environment	Everyone on mobile for everything. Dynamic wireless access – devices “just work”

<b>Other</b>			
<b>Area</b>	<b>Short-term (2017-18)</b>	<b>Medium (2018 - end 2019)</b>	<b>Long (2020 and beyond)</b>
IoT	Basic LoRoWAN setup at WBC. Develop applications	Extend IoT penetration Monitor devices using standard dashboard	Extensive population of devices with automated management
Digitisation	Implement electronic document and records management Scan records (TRDC) Implement file storage schema	Develop metadata schemas and automate file storage Implement data governance	All file storage/retrieval/life-cycle events automated

## Appendix 3. Performance Indicators

In order to determine our progress towards delivering our objectives, we will measure our performance using the following indicators:

Objective	Measure
To provide a stable and resilient environment to support Council services	Measured by a reduction in the number of incidents and hours lost as a result of incidents
To provide a secure environment, compliant with all legal information requirements	Measured by continued compliance with the PSN Code of Connection, PCI connection and GDPR compliance
To support the councils by reducing the costs of providing services and delivering them in ways that customers want to receive them	Measured by (i) a reduction in the IT costs associated with service delivery, and (ii) increased satisfaction
To increase collaboration, between Councils and between employees	Measured by increasing volume of traffic used by collaboration tools
To enable Council employees to work in a flexible and agile fashion	Measured by (i) an increase in the number of service employees able to work remotely, and (ii) an increase in the usage of flexible processes
To support the aspirations of the users to provide a high-performing service	Measured by a general improvement in service performance indicators
To reduce the total ownership burden associated with implementation and support of the IT systems	Measured by a reduction in IT support costs and TCO

## Appendix 4. Objectives of the IT Strategy

The following statement lists the original requirement for this IT strategy as defined by the Managing Director of Watford Borough Council.

The ICT Strategy will:

- Set out the background to the council's ICT service and the journey it has been on
- Describe the corporate and transformational ambitions of the councils, the gap in ICT provision and how ICT will enable the ambitions to be delivered
- Identify the key objectives of the ICT service and how they will be delivered. This will include (but not be limited to) setting out how:
  - The ICT team will take a 'business partnering' approach to delivering the service.
  - Electronic self-service will be provided to our customers (fully integrated self service provided towards external and internal customers).
  - The ICT Service will enable smarter and more efficient ways of working across the councils e.g. use of mobile technology to support flexible working, secure Wi-Fi, document management / collaboration, which systems should be in the cloud etc.).
  - The ICT Service will provide a Fit for purpose, robust and reliable infrastructure (including infrastructure to deliver councils ambitions, telephony / unified communications, Bring Your Own Device).

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- Information will be managed securely (ensuring issues relating to PSN are addressed)
  - The ICT Team will deliver a best practice service
  - Applications will be consolidated and rationalised (as well as identifying opportunities this will also identify expected financial savings)
  - Set out investment cycles for hardware and applications (i.e. identifying when they need to be replaced / upgraded, annual funding requirements for future years)
  - Set out ICT workforce and budget requirements
  - Identify costs for delivering the ICT Strategy and significant financial savings that will be made through its delivery
  - Provide a road map / action plan to deliver the ICT strategy. This will include timings and expected costs.

## Glossary

AD	Active Directory
API	Application Programming Interface
BC	Business Continuity
BI	Business Intelligence
CMDB	Configuration Management Database
CRM	Customer Relationship Management
DDA	Disability Discrimination Act
DPO	Data Privacy Officer
DR	Disaster Recovery
EDRM	Electronic Document and Records Management
EU	European Union
GDPR	General Data Protection Regulations
HA	High Availability
HR	Human Resources (department)
ICO	Information Commissioner's Office
ICT	Information and Communications Technology
IoT	Internet of Things
IP	Internet Protocol
IT	Information Technology
ITIL	IT Infrastructure Library
ITSG	IT Steering Group
KPI	Key Performance Indicator
LAN	Local Area Network
LoB	Line of Business
LoRaWAN	(a brand of LPWAN)
LPWAN	Low Power WAN
MFD	Multi-Function Device
PABX	Private Automatic Branch eXchange
PCI DSS	Payment Card Industry Data Security Standard
PSN	Public Service Network
Rol	Return on Investment
RTBF	Right To Be Forgotten
SAN	Storage Area Network
TCO	Total Cost of Ownership
TOGAF	The Open Group Architecture Framework

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TRDC	Three Rivers District Council
UPS	Uninterruptible Power Supply
VOIP	Voice Over IP
VM	Virtual Machine
VPLS	Virtual Private LAN Service
WAN	Wide Area Network
WBC	Watford Borough Council

## References

1. ICT Plan 2017
2. Transformation Programme – Programme Definition Document
3. Watford Borough Council Corporate Plan 2016-2020  
([https://www.watford.gov.uk/downloads/download/39/watford\\_borough\\_council\\_corporate\\_plan\\_2016-2020](https://www.watford.gov.uk/downloads/download/39/watford_borough_council_corporate_plan_2016-2020))