



MEETING : JOINT MEETING OF SCRUTINY COMMITTEES
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 20 JANUARY 2015
TIME : 7.00 PM

MEMBERS OF CORPORATE BUSINESS SCRUTINY COMMITTEE:

Councillors G Jones (Chairman), S Bull, J Mayes, W Mortimer, T Page, M Pope, J Ranger, G Williamson, J Wing and J Wyllie.

Substitutes:

Conservatives: Councillors G Cutting, C Rowley.

Liberal Democrat: Councillor M Wood.

MEMBERSHIP OF COMMUNITY SCRUTINY COMMITTEE:

Councillors Mrs D Hollebon (Chairman), S Bull, G Cutting, J Jones, J Mayes, P Moore, N Symonds, K Warnell, M Wood and J Wyllie.

Substitutes:

Conservatives: Councillors T Herbert, Mrs D Hone and C Rowley.

Liberal Democrat: Councillor J Wing.

MEMBERSHIP OF ENVIRONMENT SCRUTINY COMMITTEE:

Councillors M Pope (Chairman), D Abbott, W Ashley, P Ballam, E Buckmaster, A Dearman, C Rowley, G Williamson, C Woodward and B Wrangles.

Substitutes:

Conservatives: Councillors R Beeching.

Independent: Councillor M Newman.

(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)

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DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.
4. It is a criminal offence to:
 - fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
 - fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
 - participate in any discussion or vote on a matter in which a Member has a DPI;
 - knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

Audio/Visual Recording of meetings

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

AGENDA:

1. Appointment of Chairman

2. Apologies

To receive apologies for absence.

3. Minutes – 11 February 2014

To confirm the Minutes of the meeting of the Committee held on Tuesday 11 February 2014 (Previously circulated as part of the Council Minute book for 19 February 2014).

4. Chairman's Announcements

5. Declarations of Interest

To receive any Members' declarations of interest and party whip arrangements.

6. Budget Report and Medium Term Financial Plan 2014/15 – 2018/19
(Pages 7 – 134).

7. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

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EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 20 JANUARY 2015

EXECUTIVE – 3 FEBRUARY 2015

COUNCIL – 18 FEBRUARY 2015

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

BUDGET REPORT AND MTFP 2014/15 – 2018/19

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- This report sets out proposals for Council decision on the following:
 - The 2014/15 Revised Revenue Estimates
 - The 2015/16 Revenue Budget
 - 2015/16 Schedule of charges
 - The 2014/15 (Revised) to 2017/18 Capital Programme
 - The refreshed Medium Term Financial Plan (MTFP)
 - The Council's Reserves

RECOMMENDATION FOR JOINT MEETING OF SCRUTINY COMMITTEES:

That:

(A)	Any comments and amendments that the Joint Meeting of Scrutiny Committees wish to make on the proposals detailed within this report be sent to Executive for consideration.
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RECOMMENDATIONS FOR EXECUTIVE: That:

(A)	Any comments and amendments made by the Joint Meeting of Scrutiny Committees be considered: and
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(B)	The 2014/15 Revised Revenue Estimates, 2015/16 Revenue Budget, 2015/16 Schedule of charges, 2014/15 (Revised) to 2017/18 Capital Programme, MTFP, and any changes to the Council's Reserves be recommended to Council for approval.
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<u>RECOMMENDATIONS FOR COUNCIL:</u> That:	
(A)	The Revised Revenue Estimates for the current financial year 2014/15 set out in section 4, including the proposed contributions to and from Reserves (4.3) be approved.
(B)	The Revenue Budget underspend for 2014/15 is transferred to the Collection Fund Reserve and the New Homes Bonus Priority Spend Reserve as set out in paragraph 4.5.2 be agreed.
(C)	The 2015/16 Revenue Budget be approved including: <ul style="list-style-type: none"> • The new budget growth as set out in section 6, • The new budget savings as set out in section 6, • The Contingency Budget (paragraph 8.3), • The use of Earmarked Reserves (section 9), • Consideration of the advice from the Director of Finance and Support Services on the levels of reserves and robustness of the estimates in setting the budget as required by Section 25 of the Local Government Act 2003 (section 15).
(D)	The East Herts element of the Council Tax Bill is frozen at the 2014/15 rate– section 11 be agreed.
(E)	The proposed 2015/16 Schedule of Charges, as set out in section 7 be approved.
(F)	The discounts in charges being proposed for those Private Hire and Hackney Carriages that are able to transport a wheelchair using person whilst s/he remains in the wheelchair - paragraph 7.6, be approved.
(G)	The new Capital Programme for the period 2014/15 (Revised) to 2017/18, how the programme will be funded, and the consequential revenue budget implications – section 12, be approved.
(H)	The refreshed Medium Term Financial Plan covering 2014/15 (Revised) to 2018/19– section 13, be approved.
(I)	The proposed changes to the Council’s Reserves, as set out in table 10 found in section 14, be approved.

1.0 **Background**

1.1 This new-format budget report replaces the four separate reports that in previous years were tabled at Council discussing the revenue and capital budget proposals. A recent workshop with Members identified certain changes they wished to see in the budget report such as clearer and expanded explanation of the figures, identification of the key budget changes, the use of plain English, and more use of graphs. This new format and content is our response to those requests and hopefully will make the budget proposals easier to understand for both Members and our residents.

1.2 The Council's revenue budget is comprised of five major 'building blocks' as follows:

- **Net Cost of Services:** this heading comprises the direct costs incurred by the Council's customer facing and back office services (less any specific income generated).
- **Corporate Budgets:** These are items that are not service specific or are not so at the point the budget is approved. These include interest income and interest payments and the annual contribution the Council makes to fund the deficit in the Pension Fund. The heading also includes the Contingency Budget and the New Homes Bonus Priority Spend Fund which at the beginning of the financial year are not allocated to specific services.
- **Proposed contributions to/from Reserves:** the next building block shows the amounts that are proposed to be used from Reserves to fund expenditure in the revenue budget. The effect of using reserves is that less income will need to be sought from Council Tax in the year in which they are used. It needs to be remembered however that reserves are a finite source of funding and their use should represent value for money.
- **Sources of Funding:** these income budgets are general and not service-specific income sources. They comprise grant income from central government and Non-Domestic Rate income.
- **Council Tax income:** This is also a general rather than a service-specific source of funding. It is treated as a separate building block in the budget preparation exercise as it is only after preparing all the estimates for the other areas that the amount needed from Council Tax is calculated (this is known as the 'Demand on the Collection Fund').

- 1.3 This budget report uses the classifications described above to navigate the reader through the budget proposals.
- 1.4 The setting of the 2015/16 budget and MTFP is taking place in an environment of high uncertainty and potential risk. The uncertainty is not for the next financial year but for the year 2016/17 and onwards. Whilst the national fiscal deficit position has improved over the life of this government, it has not been eliminated as originally planned. Austerity and a further reduction in public sector expenditure are now anticipated for an additional three year period up to 2018/19.
- 1.5 In his Autumn Statement (3 December 2014) the Chancellor warned that Public Sector expenditure is set to fall up to 2018 at the same rate as that which occurred between 2010/11 and 2014/15. Details of where the savings will be made have not been announced but given the government's position on protecting certain budgets such as schools and the National Health Service the likelihood of further reductions to local government financial support is high. The uncertainty on the future direction of public sector finance is also compounded by the fact that there is a national election next year, and the make-up of the next government will have a bearing on how fast and deep the savings to public expenditure will be made.
- 1.6 East Herts is currently in a relatively healthy financial position compared to some other councils but a cautious note is given in this budget report for the year 2016/17 onwards, particularly in the advice and recommendations made to Council on the use and level of Council reserves.
- 1.7 The process and timetable for the preparation and presentation of the Council's Budget has included appropriate consultation with Officers and Members and linkages with the Council's service planning and corporate strategy process. Significant improvements to the budgeting and service planning process will be made for the next cycle, i.e. to prepare for the 2016/17 budget, including an earlier start to the process and more informal engagement with leading Members on key budget proposals. This would also include early assessment of any key financial messages arising out of the results of national elections.
- 1.8 This budget report has been prepared having particular regard to the following reports:

- Calculation of the Council Tax base – report to Council on 17 December 2014
- Non Domestic Rates Calculation 2015/16 – report to Council on 28 January 2015
- Treasury Management Strategy and Annual Investment Strategy 2015/16’ – report to Council on 18 February 2015.

2.0 **Report**

2.1 This report contains the following sections and Essential Reference Papers:

Section 3	Summary of the key budget proposals
Section 4	2014/15 Revised Revenue Estimates <ul style="list-style-type: none"> • Net cost of Services • Corporate Budgets • Contributions to/from Reserves • Sources of funding (including Council Tax) • Overall forecast outturn position
Section 5	2015/16 Revenue Budget: Net Cost of Services
Section 6	2015/16 Revenue Budget: proposed Growth and Savings
Section 7	2015/16 Revenue Budget: proposed Schedule of charges
Section 8	2015/16 Revenue Budget: Corporate Budgets <ul style="list-style-type: none"> • New Homes Bonus Priority Spend Fund • New Homes Bonus Grants to Town and Parish Councils • Contingency Budget • Interest payments • Interest and investment income • Pension Fund Deficit Payment
Section 9	2015/16 Revenue Budget: proposed contributions to and from Reserves <ul style="list-style-type: none"> • General Reserves • Earmarked Reserves
Section 10	2015/16 Revenue Budget: Sources of Funding <ul style="list-style-type: none"> • Revenue Support Grant • Non Domestic Rate Income (NDR) • Section 31 Grants • (Surplus) / Deficit on Collection Fund • New Homes Bonus
Section 11	2015/16 Revenue Budget: proposed Council Tax

	Demand (East Herts element only)
Section 12	Capital Programme 2014/15 (Revised) to 2017/18 <ul style="list-style-type: none"> • Revised Capital Estimates for 2014/15 • New Schemes/Programmes seeking approval • Proposed capital programme 2014/15 to 2017/18 (and how it will be funded) • Prudential Code and revenue budget implications
Section 13	Medium Term Financial Plan (MTFP)
Section 14	Review of the Council's Reserves <ul style="list-style-type: none"> • Why Councils need to hold Reserves • The national and local context • The Council's current Reserves position • Review of Earmarked Reserves • An analysis of the Council's financial risks
Section 15	Advice from the Director of Finance and Support Services (Section 151 Officer)
Essential Reference Papers	
A	Implications/Consultations
B	Revenue Budget – Medium Term Financial Plan
C	Key variances from the 2014/15 Revised to Original Estimates
D	Summary of Estimates (Net Cost of Services)
E	Pay and price Assumptions in the MTFP
F	Revenue Budget Growth Proposals
G	Revenue Budget Savings Proposals
H	Schedule of Charges for 2015/16
I	Capital Programme 2014/15 – 2017/18
J	Capital Programme Funding Statement
K	The Council's Reserves Position
L	Stress test: Financial Risks facing the Council

M	Budget consultation with business
N	Glossary of financial terminology used in this report

3.0 Summary of the key budget proposals

3.1 This Budget Report contains proposals for a gross revenue expenditure budget of £65 million. An analysis of this budget into major 'types' of expenditure is shown in chart 1 whilst chart 2 shows how the budget will be financed.

Chart 1: Analysis of the gross Expenditure Budget 2015/16 (£65m)

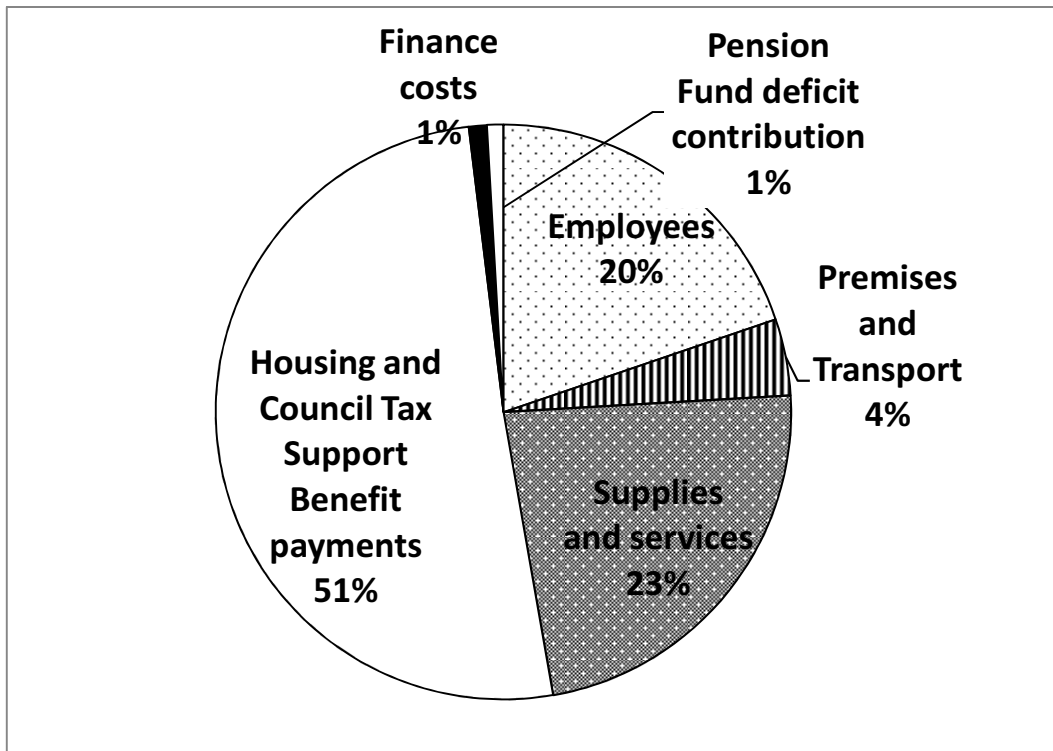
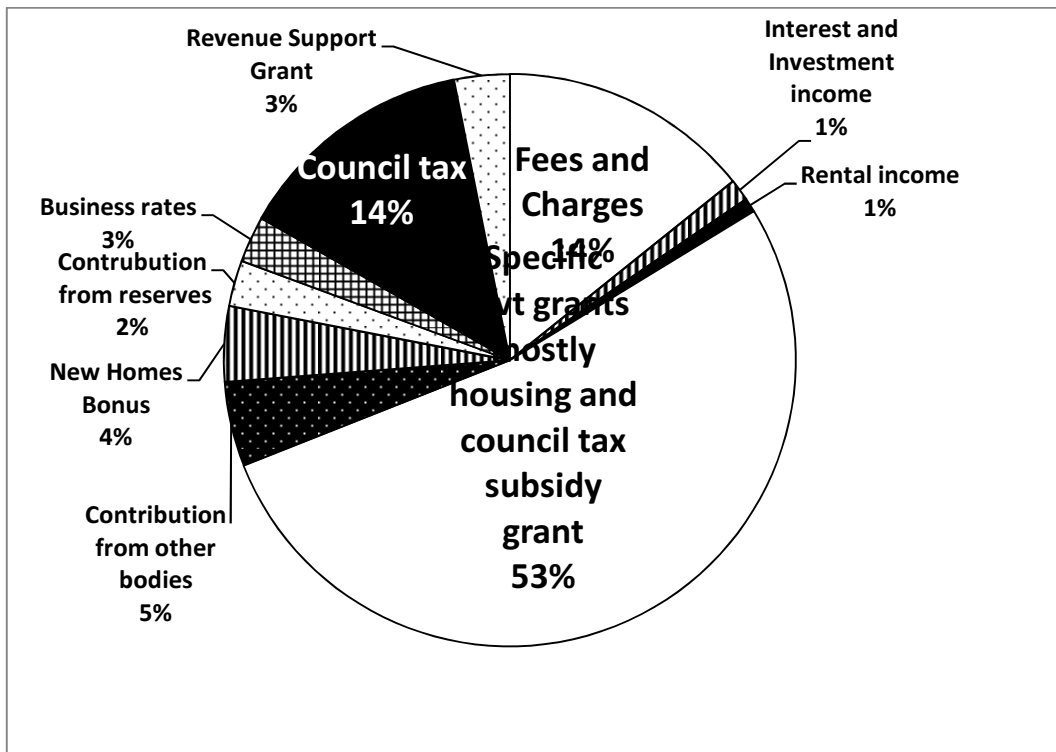


Chart 2: How the revenue budget will be financed



3.2 The key themes of the budget for 2015/16 to 2018/19 found in this report can be summarised as:

- No proposed increase in our element of the Council Tax demand for 2015/16 with a modest rise of 1% included for 2016/17 onwards.
- Investment in some key services to improve outcomes for our residents such as Revenues and Benefits.
- Continuing to protect our vulnerable residents by maintaining our Council Tax Support scheme at the same level.
- Investment in capital schemes on a rolling basis in order to improve our assets and IT infrastructure and to reduce running costs in the longer term.
- Reflection of national government policy at the local level around Business Rate reliefs.
- Consideration of the impact our fees and charges have on our residents by minimising rises whilst at the same time ensuring subsidies are understood.

- Lower charges for the public to park in Bishop's Stortford, Hertford, and Ware.
- Financially prudent, sensible and sustainable budget proposals.

4.0 2014/15 Revised Revenue Estimates

4.1 **Net Cost of Services:** The Revised Estimates have been prepared using information gained from the October Health Check budget monitoring process modified by any significant movements from this position identified by Strategic Finance and relevant Heads of Service during December 2014.

4.1.2 Overall the Revised Estimate for Net Cost of Services is higher than the Original 2014/15 Estimate approved by Council on 20 February 2014 by £548k (or 3.8%). This has primarily arisen from an increase in expenditure on staffing, mostly temporary staffing, which is being funded from a variety of sources - see paragraph 4.1.3 below. **Essential Reference Paper 'C'** (Key variances from the 2014/15 Revised to Original Estimates) describes other significant variances (over £20k) between the Revised and Original Estimates. Most of these variances have already been reported throughout the year via the Healthcheck process.

Table 1: The 2014/15 Revised Estimates for Net Cost of Services

Service	2013/14 Actual	2014/15 Original Estimate	2014/15 Revised Estimate	Variance Revised to Original
	£000s	£000s	£000s	£000s
Customer and Community	6,285	5,915	6,199	284
Neighbourhood Services	3,394	3,240	3,419	179
Finance and Support Services	4,694	5,123	5,208	85
Total Net Cost of Services	14,373	14,278	14,826	548

4.1.3 **Salaries Budget:** The Revised Estimate of £12.7m is £843k (or 6.6%) above the Original Estimate, the main reasons for the overspending being:

- Resizing of the Revenues and Benefits service (26 permanent FTEs) costing £179k (50% of which will be recharged to Stevenage in line with the Partnership Agreement). The Revenues and Benefits shared service was scoped using activity data from 2010/11. The demands on the service have changed considerably since then, both in the volume of transactions and the variety of activities that are now required to be carried out. The resizing will make the service fit for purpose so that it can respond appropriately to this new environment.
- £653k for 22 new posts (the majority being temporary posts) and additional hours funded from the contingency budget, Earmarked Reserves, central government grants, and increased fee income as follows:

Table 2: Additional staffing costs in 2014/15 and funding sources

FUNDED FROM CONTINGENCY BUDGET:	£000
Graduate Trainees x 2 (2 year fixed term)	32
Temporary Post Facilities Management	16
New Apprentice Post in Facilities (permanent)	2
Procurement Officer permanent increase in hours	7
Housing Manager permanent increase in hours and Grade	10
4 x temporary posts Community Safety and Health	29
Customer Services Manager permanent increase in hours	7
Information Analyst – temporary post	21
Assistant Waste Services Manager temporary increase in hours to cover maternity leave	8
TOTAL	132
FUNDED FROM COST OF CHANGE RESERVE:	£000
Corporate Project Co-ordinator (3 year fixed term)	39
New permanent post Head of Business Development	6
Leisure Development Manager (2 year fixed term)	11
Head of Strategic Finance permanent increase in hours and restructure costs	84
Head of Governance and Risk Management permanent increase in Grade	8
TOTAL	148
FUNDED FROM LOCAL PLAN RESERVE:	£000
To fund 3 temporary posts, increased hours and overtime to facilitate work on the Local Plan	101
OTHER FUNDING:	£000
2 temporary planning officer posts funded from additional fee income Development Management	80

Temporary staff in Revs and Bens funded from DCLG (New Burdens Grant and DWP)	192
TOTAL	272
TOTAL STAFFING COSTS	653

4.1.4 With regard to pay inflation, the assumption at the start of the year was that pay would increase by 1% from 1 April 2014 (coming after several years of pay freeze). However, a 2.2% national pay award was agreed on the 14 November 2014 by National Joint Council. This award is applied on 1 January 2015 and is the national pay award for 2014-2016. The revised salaries budget also includes the changes to the Local Award which has been reduced from 4% to 2% for eligible staff. Therefore, a pay award of 0.2% will be implemented for those members of staff who receive the Local Award.

4.2 **Corporate Budgets: Essential Reference Paper ‘B’** (Revenue Budget – MTFP) shows on a single page the Revised Estimates for Corporate Budgets. The commentary that follows concentrates only on those budgets that have changed during the financial year.

4.2.1 New Homes Bonus (NHB) Priority Spend Budget: The purpose of this Budget is to fund initiatives that promote the economic prosperity of the District. As at the end of December 2014, 36% or £198k of this budget had been allocated leaving a balance of £353k remaining. If this balance is not used then this amount will become a budget underspend at the year end. The £198k is for funding the part-year anticipated loss of income arising from the Council’s new car parking charging policy approved in August 2014 (see **Essential Reference Paper ‘C’**: key variances from the 2014/15 Revised to Original Estimates).

4.2.2 Contingency Budget. This budget allows for unforeseen events to be funded in-year. The Executive agrees all contingency funding requests through the Health Check monitoring process. The Original Budget approved for the year was £513k. As at the end of December 2014, 77% or £396k of the contingency had been allocated leaving a balance of £117k remaining. If this balance is not used then this amount will become a budget underspend at the year end. A full listing of the items being funded from the 2014/15 Contingency Budget can be found in the ‘Monthly Corporate Healthcheck – October 2014’ report that went to Executive on 2 December 2014.

4.2.3 Interest and Investment Income: This is forecast to be £803k which is £92k or 11% lower than the Original Estimate as it was assumed that the bank base rate would rise this financial year and that interest income would therefore be higher. In addition it was also anticipated that we would be in a position to enact Council's decision to invest in property trust funds during this financial year. This is now been rescheduled for September 2015/16 as there is an investment waiting list. It is proposed that the shortfall in income is financed from the Interest Equalisation Reserve. This reserve was set up to smooth any impacts arising from interest rate fluctuations

4.3 **Contributions to/from Reserves**: It is proposed that £796k of the 2014/15 revenue budget is funded from Earmarked Reserves as follows.

Table 3: Proposed use of Earmarked Reserves in 2014/15

Earmarked Reserve	Balance @ 31/3/14	Planned use 2014/15	Estimated Balance @ 31/3/15
	£000s	£000s	£000s
Interest Equalisation Reserve	2,257	91	2,166
Local Development Plan	734	297	437
Housing Condition Survey	79	36	43
Sinking Fund – Leisure utilities/pension fund	282	51	231
Performance Reward Grant	30	20	10
LAGBI Reserve	94	7	87
Cost of Change Reserve	1,127	155	972
Environmental Pollution - DEFRA	14	14	0
DEFRA Flood Support for local businesses	125	125	0
TOTAL		796	

4.3.1 The two largest contributions are from the Local Development Plan Reserve to pay for staffing and other costs of producing and consulting on the Plan which will be completed in 2016 and the contribution from the Cost of Change Reserve which is funding additional temporary posts (see paragraph 4.1.3 above) as well as the improvements being made to the Civica Financial system.

4.3.2 It is also proposed to make a contribution of £27k from the Revenue Budget to the provision for future whole Council

elections in order to increase the reserve for next year's election costs. This is how we have historically treated the smoothing of election costs.

- 4.4 **Funding Sources: Essential Reference Paper 'B'** (Revenue Budget – MTFP) shows the Revised Estimates for these income budgets. The commentary that follows concentrates only on those budgets that have changed during the financial year.
- 4.4.1 Non Domestic Rate (NDR): The estimate has been changed to reflect a decrease in forecast income of £719k from £2.4 million to £1.8 million. However this loss of income is more than matched by an increase in Section 31 grant income – see 4.4.2 below. The Original Estimate was the government's baseline forecast of what East Herts should receive from both NDR and Section 31 grant income. We have now split out these two income streams so that they can be better monitored and forecast.
- 4.4.2 Section 31 grants: These are government awarded grants to compensate councils for central government policy decisions in respect of rate reliefs, examples being small business, retail, and flooding rate reliefs. At the time of producing the Original Estimate it was uncertain both as to what reliefs would be granted and what exactly the interaction would be between NDR income and Section 31 grants and, as has been explained above, the grant income was included in the NDR income estimate. This whole area of local government funding is very complex and was only introduced in 2013/14 with guidance on the treatment of income and expenditure issued during 2014. We are now able to more confidently forecast income flows and as a consequence we have added a new income budget for these grants into the Revised Estimates totalling £1,307k.
- 4.4.3 (Surplus) / Deficit on Collection Fund: The surplus distribution was agreed by Council in January 2014 and is based on the actual surplus position as at the end of the 2012/13 financial year plus an estimate of the outturn position on the Collection Fund for the 2013/14 financial year. The £307k income is East Herts share of the estimated Collection Fund surplus.
- 4.5 **Overall forecast outturn position**: It is anticipated that there will be an underspend in the revenue budget of £1,243k at the end of this financial year. This could increase to £1.7m if the unallocated amounts in the Contingency Budget (£117k) and New Homes Bonus Priority Spend Fund (£353k) are not used.

4.5.1 This underspend has arisen from three main sources:

- A £318k net increase in the combined total of income from NDR and Section 31 grant income (paragraphs 4.4.1 and 4.4.2).
- The £307k surplus from the Collection Fund that was not included in the Original Estimate (paragraph 4.4.3).
- £618k of extra income and underspend in various budget items within the Net Cost of Services, excluding the salaries budget. These key variances are shown in **Essential Reference Paper 'C'** (Key variances from the 2014/15 Revised to Original Estimates) and most of them have been reported to Executive throughout the year as part of the Health Check budget monitoring process.

4.5.2 It is recommended that the forecast underspend for 2014/15, plus any changes to this underspend position at the year-end, are transferred to the following Earmarked Reserves:

- The Collection Fund distributed surplus of £307k (see paragraph 4.4.3) is transferred to the Collection Fund Reserve (previously known as the Government Funding Risk Reserve) in order to fund a deficit distribution in 2015/16.
- The rest of the forecast underspend for 2014/15 of £936k is transferred to the New Homes Bonus Priority Spend Reserve.

5. 2015/16 Revenue Budget: Net Cost of Services

5.1 These have been prepared jointly by Heads of Service/budget holders and Strategic Finance and then signed off by the relevant service Director.

5.2 The 2014/15 Revised Estimate is used as the starting point (or 'base budget') and any changes for 2015/16 are made to that figure. The changes include pay and price inflation along with any estimated impacts of known or likely changes such as a change in demand for a service or a legislative change. Minor savings, identified through an officer budget challenge process, amounting to £154k across the three Directorates have also been included. The savings have been taken from budgets that have historically underspent and where officers feel that the budget is overstated for the future activity it will fund.

5.3 The salaries budget for the Council is not prepared as described in the paragraph above, but rather is done on a 'zero based

approach' which is best described as starting from scratch and working out the salaries budget by aggregating the salaries of each individual employee. This gives a robust budget estimate for a significant proportion of the Council's revenue budget.

- 5.4 The 2015/16 Original Estimate for Net Cost of Services of £14.476 million is currently £350k less than the 2014/15 Revised Estimate as shown in table 4.
- 5.5 Table 4 does not include the new growth and savings proposals discussed in section 6 below nor does the table include the impact of the proposed 2015/16 Schedule of Charges discussed in section 7. If all of these items are approved by Council then the Net Cost of Services budget for 2015/16 would increase to £15 million. The net cost of Services total does however include growth and savings for 2015/16 that have been previously agreed and the expenditure proposed to be funded from Earmarked Reserves as set out in section 9.

Table 4: The 2015/16 Original Estimate for Net Cost of Services

Service	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Variance Original to Revised
	£000s	£000s	£000s	£000s
Customer and Community	5,915	6,199	6,401	202
Neighbourhood Services	3,240	3,419	3,145	(274)
Finance and Support Services	5,123	5,208	4,930	(278)
Total Net Cost of Services	14,278	14,826	14,476	(350)

The brackets here show that there is a downward movement of spend between 2014/15 and 2015/16

- 5.6 **Essential Reference Paper 'D':** (Summary of Estimates) shows the 2015/16 Original Estimate for each Service in more detail than table 4 provides. As has been the case in previous years' budget reports, these estimates do not include recharges of Divisional and Support Service costs nor do they include capital charges.
- 5.7 Recharges of central support services such as Human Resources, Strategic Finance, and IT to the users of these services, such as Neighbourhood Services are the total cost of these central support services. These are included in the Finance

and Support Services Original Estimate shown in table 4 and the recharges are simply a re-distribution of these costs which does not impact on the Total Net Cost of Services figure shown.

5.8 Capital charges are 'notional' charges for the use of capital assets and are not 'real' cash-backed payments requiring a source of financing. They are therefore irrelevant to the budget decisions Council needs to make and are required primarily for producing the annual Statement of Accounts. The charges will be calculated and put into service estimates before the start of the new financial year.

5.9 The key assumptions and movements contained within the 2015/16 Original Estimate for Net Cost of Services are discussed below.

5.10 Salary Estimate: The total salary budget is £12.4m for 2015/16. The following assumptions and key movements have been included in the figures:

- The full year effect of the National Pay Award (2.2%) and the reduction in the Local Award from 4% to 2%.
- An assumption that turnover in staffing will generate savings in the salary budget of 2% (worth £244k). This is consistent with 2014/15 assumptions.
- National Insurance contributions in the range of 10.4% to 13.8% of salary, the actual rate used being dependent on the level of salary.
- An Employer's Pension Fund contribution of 16.6% of salary cost.
- The full year effect (£300k) of the resizing of the Revenues and Benefits service as reported in paragraph 4.1.3.
- £240k of temporary staffing costs being funded from the Cost of Change Reserve and Local Plan Reserve as follows:

	£000
Corporate Project Co-ordinator	44
2 x Graduate Trainees	62
Leisure Development Manager	46
Information Analyst	26
4 temporary planning officer posts to facilitate work on the Local Plan	62

TOTAL **240**

- £99k of permanent salaries expenditure growth due to the restructure at SMG level.
- £85k further salaries growth across the 3 Directorates as follows:

	£000
New Apprentice in Facilities Management (permanent)	17
Procurement Officer permanent increase in hours	13
Housing Manager permanent increase in hours and Grade	23
Principal Planning Officer contract extended (temporary)	35
Customer Services Manager permanent increase in hours	3
Communications – permanent increase and decrease in hours for 2 officers of different Grades	(6)
TOTAL	85

5.11 Price Inflation: The 2014/15 Revised Estimates have been increased by the price inflation indices shown in **Essential Reference paper ‘E’**: (Pay and Price assumptions in the MTFP). General Price and fuel inflation indices are those reported by the Office for Budget Responsibility in December 2014. The contract indices are those contained within specific Council contractual agreements.

5.12 Customer and Community Services:

- The car parking income budget has been adjusted to reflect the forecast loss of income arising from the Council approving a new car parking income policy in August 2014. The full year estimated loss in 2015/16 is £340k and this has been funded from the New Homes Bonus Priority Fund.
- Inflation has been allowed for on the following as per agreed contractual conditions: Grounds Maintenance £24k, Refuse and Recycling £51k and Enforcement contract £48k.
- The estimates for the Markets have not taken into account any changes that may arise from the tendering process for the management of the Bishop’s Stortford market. In addition the income budget from the markets has been assumed to be £24k lower than the current year. This reduced income is a consequence of trends in retail shopping being experienced nationally as well as locally with internet and out-of-town

shopping centres being favoured over town centre retail outlets.

5.13 Neighbourhood Services:

- It has been assumed that the increase in fees and charges in Building Management and Building Control (the latter coming from the Safestyle UK Partnership) reported in **Essential Reference Paper 'C'** (key variances from the 2014/15 Revised to original Estimate) will continue in 2015/16. The increase built into the estimates is £250k for Development Management and £100k for Building Control.
- The potential financial impact of the new collaborative venture currently being explored for Hertfordshire Building Control services across the County has not been built into the 2015/16 estimates. A Business Case for this proposal is due to go to Council during 2015 and full financial implications will be included in that document.
- The amount expected to be received as Better Care Fund (which funds Disabled Facilities Grants) is £65k lower than this year. This is because the grant is no longer received directly from DCLG but from the County Council who has pooled the grant and redistributed it on a different basis.

5.14 Finance and Support Services:

- There are risks associated with the Council continuing to obtain rental income of £55k from Circle Anglia from their sub-letting part of Charington House and land charges fees of £273k because the service is likely to move away from local authorities to the Land Registry. These are discussed further in **Essential Reference Paper 'L': Stress Test – Financial Risks facing the Council.**
- A one-off budget has been provided of £69k to fund the property investment fund application fees (see paragraph 8.5).
- The Housing Benefits Service contains the largest of the Council's budgets. It has been assumed that rent allowance transfer payments and government subsidy will be based on a similar caseload and amounts as in 2014/15 and as a consequence the net cost of the Housing Benefits Service has fallen by some £470k. The amount to be given by central government as Housing Benefits Admin Subsidy grant has fallen in 2015/16 by £72k from the amount awarded in 2014/15.

6.0 2015/16 Revenue Budget: proposed Growth and Savings

- 6.1 **Essential Reference Papers 'F'** (Revenue Budget Growth Proposals) and **'G'** (Revenue Budget Savings Proposals) show all the growth and savings for 2015/16 categorised into two groups: growth and savings that have already been anticipated and agreed for inclusion in the 2015/16 budget and new growth and savings items needing Council approval.
- 6.2 **New Growth items:** These items total £654k in 2015/16 (of which £214k is only one year growth), £24k in 2016/17 and £1.2k in 2017/18. Full details of the proposals are given in **Essential Reference Paper 'F': Revenue Budget Growth Proposals.**
- 6.3 **New savings proposals:** These items total £107k in 2015/16 and £174k in 2016/17 bringing the total cumulative total of new savings benefiting the budget in 2016/17 onwards to £281k. Full details of the proposals are given in **Essential Reference Paper 'G': Revenue Budget Savings Proposals.**

7.0 2015/16 Revenue Budget: proposed Schedule of Charges

- 7.1 Officers have prepared a recommended Schedule of Charges for application in 2015/16, the details of which are set out in **Essential Reference paper 'H': Schedule of Charges for 2015/16.** Comments relating to the key proposals are set out below.
- 7.2 It is recommended that most of the charges are kept at the current year's level. For some categories of charge it has been recognised that to charge more would be detrimental to our residents and local businesses: for example, charges made for market licences and charges made by Hertford Theatre.
- 7.3 In the case of Licensing, Gambling and Taxi fees there is no proposal to increase these as the fees need to be reviewed in light of recent case law.
- 7.4 Some charges have increased in line with RPI in the range of 2% to 2.5%. Domestic and commercial waste charges are recommended to increase in order to cover the inflationary increase in the costs of providing the service.

- 7.5 Environmental Health has introduced a new statutory charge under the Enterprise and Regulatory Reform Act 2013. This requires that any relevant person failing to belong to a Letting Agency or Property Management work scheme will be fined (the penalty level has been set using DCLG guidelines).
- 7.6 It is recommended that discounts are offered for those Private Hire and Hackney Carriages that are able to transport a wheelchair using person whilst s/he remains in the wheelchair. The proposal is for a 100% discount in the first year for each compliant application and a 50% discount for each subsequent year. This proposal is made in order to promote equality of access and to encourage an increase in the number of Private Hire and Hackney Carriages able to transport a wheelchair using person in this way. The cost of implementing the discounts is estimated to be minimal in the first year of operation rising to some £6.5k in lost income in year three of the new scheme.
- 7.7 The impact of Council agreeing the proposed Schedule of Charges would be an increase in income of £17k. The total fees and charges income budget in 2015/16 is £1.8 million.

Table 5: Extra income arising from the Proposed Schedule of Charges

Service	Average increase in charge proposed	Extra income Generated £000s
Neighbourhood Services		
Licences Environmental Health	2.5%	(0.40)
Environmental Health Promotions	2.5%	(0.05)
Hackney Carriage	0%	0
Development and Building Control	0%	0
Hostels	0%	0
Bed and Breakfast	2.5%	0
Customer and Community		
Hertford Theatre	0%	0
Residents Parking	0%	0
Bulky Waste	2%	(0.77)
Clinical Waste	1.8%	(1.95)
Commercial Waste	2%	(11.8)
Pest Control	2.5%	(0.50)
Markets	0%	0
Finance and Support Services		
Land Charges	0%	0
Legal fees	2.5%	(1.53)

TOTAL		(17.00)
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Note: brackets represent income amounts

8.0 2015/16 Revenue Budget: Corporate Budgets

- 8.1 **New Homes Bonus Priority Spend Fund:** Current Council policy is to put 25% of its estimated New Homes Bonus grant into a Priority Spend Fund which can be used to fund in-year Member-led priority initiatives. The amount to be allocated to the fund using the 25% calculation is £697k. However, £340k of this has already been allocated to fund the anticipated loss of car parking income arising from the Council's new car parking charging policy. The unallocated budget therefore for 2015/16 is £357k.
- 8.2 **New Homes Bonus grant payment to Parishes and Town Councils:** As per current Council policy, agreed in 2011/12, 25% of the New Homes Bonus grant the Council receives is transferred to Town Councils and parishes to help fund local projects and initiatives. The amount to be transferred to Parishes and Town Councils is £697k in 2015/16 which is an increase of £149k from the current year representing a 27% uplift.
- 8.3 **Contingency Budget:** A contingency budget of £476k is proposed for 2015/16 which is in line with the amount originally allocated in the 2014/15 budget.
- 8.4 **Interest payments:** These are fixed payments (£662k) for the medium term so there is no change needed to the level of budget required. The Council has loans totalling £7.7m of which £6m falls due in 2020 and therefore there will be no change to the amount of interest we pay until 2020/21. The cost of paying off these debts early is prohibitive due to early redemption clauses which would cost in excess of £1 million. Officers continue to review this position.
- 8.5 **Interest Income:** The 2015/16 estimate (£867k) is higher than the 2014/15 Revised Estimate (by £64k) but still short of the 2014/15 Original Estimate (by £28k). It is recommended therefore that £28k is taken from the Interest Equalisation Reserve to fund this shortfall. The increase in the forecast from the 2014/15 revised position is because we are anticipating higher returns by investing £20m in Property Unit Trusts. These should generate returns of 3% rather than the 1.12% we are receiving from the money market. It is likely that the £20m will be invested in September 2015 (as there is a waiting list). The 'Treasury Management

Strategy and Annual Investment Strategy 2015/16' gives more detail of this property investment.

8.6 Annual Pension Fund Deficit Payment: This is the annual contribution the Council pays to the Pension Fund. The Local Government Pension Scheme (LGPS) undergoes a financial valuation every three years; this is carried out by the scheme actuary, Hymans Robertson LLP. The triennial valuation is an assessment of the financial health of the Pension Fund and the results are used to determine the contributions the Council will need to pay to the Fund in order that the deficit can be bridged over a twenty year period. The last valuation in 2013 resulted in an agreement that the Council will pay £600k per annum until 2017/18 when the next valuation will take place. The agreement also included an additional lump sum payment of £1.0 million which was paid in 2013/14 from General Reserves and an employer contribution rate to the pension fund of 16.6% which has been included in the salary estimate.

9.0 2015/16 Revenue Budget: proposed contributions to and from Reserves

9.1 General Reserves: It has been assumed that no contributions will be made from General Reserves to fund the Revenue Budget in 2015/16.

9.2 Earmarked Reserves: It is recommended that £1.831 million of Earmarked Reserves shown in table 6 below are used to fund the 2015/16 Revenue Budget.

Table 6: Proposed use of Earmarked Reserves in 2015/16

Earmarked Reserve	Amount to be used in 2015/16 (£000s)	Reason for the use of the Reserve
Interest Equalisation Reserve	28	Interest income forecast to be lower than 2014/15 Original Estimate (see paragraph 8.5)
Local Development Plan	284	To pay for staffing and other costs of producing and consulting on the Plan which will be completed in 2016.
Provision for future whole	72	To pay for the costs of whole Council and national elections

Council elections		in May 2015.
Performance Reward Grant	10	To match forecast expenditure on Community Projects.
Cost of Change Reserve	178	To fund temporary posts: Corporate Project Coordinator, 2 Graduate Trainees, Information Data Analyst and Leisure Development Manager.
DCLG Preventing Repossessions	15	To fund a temporary part-time post in the Housing Options Team.
Collection Fund Reserve	1,244	To fund the Council's share of the 2014/15 Collection Fund deficit – see paragraph 10.5
Total	1,831	

9.3 In addition it is proposed to put £144k into reserves as follows:

- £4k to the Housing Condition Survey Earmarked Reserve.
- £140k to the Collection Fund Reserve so that the reserve contains sufficient funds to enable the Council to fund its share of the forecast Collection Fund deficit over the next three years (2015/16 to 2017/18). The forecast deficit arises from the backdated appeals and additional information on this matter is given in paragraphs 10.5 and 10.6 below.

9.4 Further information on the Council's Reserves and the results of a review of the Reserves position is given in section 14 of this report. It should be noted that the recommendations made in Section 14 have not been included in the proposals shown in table 6 above.

10.0 2015/16 Revenue Budget: Sources of Funding

10.1 A significant amount of work has been undertaken this year by Strategic Finance, with support from other Council officers particularly in Revenues and Benefits, to model the key funding streams the Council receives. All of these income budgets have been reviewed from a zero base starting point with a range of worst and best case scenarios being assessed to help determine the budget figure.

10.2 **Revenue Support Grant:** The Minister for Local Government announced the provisional 2015/16 local government finance settlement in Parliament on 18 December 2014. East Herts provisional allocation is £2.06 million which now includes the Council Tax Freeze Grant. The decrease in resources is £852k which represents 30% of the current year's grant figure.

10.3 **Non Domestic Rate Income (NDR):**

- The income estimate (£1.7 million) assumes that there is no growth in the number of non-domestic properties for next year as the income we are collecting this year does not show any such increase neither is there any readily available data to predict future business growth in the District with certainty.
- The government will apply a 2% cap on the increase to the NDR bill demands (known as the Business Rates Multiplier) as it did for this financial year and the 2% increase has been reflected in the income estimate figures. The increase to the multiplier should have been 2.4% (based on the September 2014 RPI index) however the cap is expected to be revenue neutral to the Council as we should receive additional section 31 grant payment to refund the lost business rate income.
- No new rate relief policies have been assumed in the figures. The Chancellor did however announce in his Autumn Statement that there would be increased support to Small Businesses through higher rate reliefs. These should be revenue neutral as any increase in rate relief will mean a compensatory increase in Section 31 grants
- We have assumed that income not collected from appeals prior to 2013/14 are this Council's risk and that the provision for non-collection in the Balance Sheet, of approx. £1m, is sufficient to fund any lost income. From 2013/14 any losses arising from the appeals process are shared amongst all preceptors. Some prudence has been built into the 2014/15 and onwards figures by observing the volatility of income received from that billed over the last year (this volatility only arises from appeals) and building in a 1.9% reduction in the income forecast.

10.4 **Section 31 Grant:** The estimate (£1.06 million) is based on the government's own formula for calculating the grant owed to councils arising from their policy decisions on rate reliefs. The formula has been applied to our NDR projections. The Autumn Statement included proposals to increase rate relief for small businesses. As a consequence the grant we receive for 2015/16

will be higher than the estimate (offset by a corresponding decrease in the NDR income) but this cannot be calculated at this point in time.

- 10.5 **Collection Fund distributed deficit:** the deficit payment of some £1.2 million is based on the 2013/14 outturn position on the Collection Fund and an estimate of the surplus/deficit for 2014/15. This amount represents East Herts share of the deficit and it is recommended that the deficit is funded by the Council's Collection Fund Reserve. Council will be asked to approve the distribution of the Collection Fund deficit at its meeting on 28 January 2015 as part of the Non Domestic Rates Calculation 2015/16 report.
- 10.6 The larger than expected deficit balance is caused by the Council's decision to fund the provision for backdated appeals (those relating to years prior to 2013/14) over 5 years. As no backdated appeal costs were assumed in the calculation of the surplus to be distributed for 2013/14, the 2014/15 calculation in effect recognises 2 years or 40% of the balance of backdated appeals. In the next few years the surplus/deficit to be distributed will be lower, as 20% of the backdated appeals balance will be recognised each year until the 5 years has elapsed. The recognition of these backdated appeal costs is a one-off occurrence and, if Council approves the contribution of £140k to the Collection fund Reserve as requested in paragraph 9.3 above, the anticipated loss of income arising from these backdated appeals is fully covered by the Earmarked Reserve. From 2014/15, only appeal costs arising in-year will impact on the Collection Fund deficit.
- 10.7 **New Homes Bonus:** On 16 December 2014 DCLG published the provisional allocations for the New Homes Bonus scheme 2015/16. The Council will receive an increase of £540k (or 24%) from the 2014/15 Revised Estimate bringing the total to £2.8 million. The increase reflects the rising number of new homes being built in the local area.

11.0 2015/16 Revenue Budget: proposed Council Tax demand

- 11.1 The formal resolution of the Council Tax for 2015/16 (including preceptor amounts), as required by the Local Government Finance Act 1992, will be considered by Council at its meeting on 4 March 2015. This report only considers East Herts share of the Council Tax demand.

- 11.2 The income we receive from Council Tax is the net figure after paying out Council Tax subsidies. It has been assumed that the amounts needing to be paid in 2015/16 will not change from the current financial year as the figures for this year suggest that the demand for such benefits has levelled off and is not increasing.
- 11.3 It is recommended that no change is made to the East Herts element of the Council Tax demand for 2015/16 meaning that the Band D Council Tax will remain at £157.54. Freezing the Council Tax will enable the Council to receive the government's Council Tax Freeze Grant worth £94k (the grant has now been incorporated into Revenue Support Grant). Any 1% increase or decrease in the East Herts element of the Council Tax demand also equates to £94k. Therefore if Council wishes to increase the Council Tax by 1% it would receive an additional £94k income, although it presumably would lose an equivalent amount in Revenue Support Grant. If Council wishes to decrease the Council Tax by 1% then it would need to find £94k in the budget to fund this decision.

12.0 Capital Programme 2014/15 (Revised) to 2017/18

- 12.1 **Revised Capital Estimates for 2014/15:** The proposed Revised Estimate for the capital programme is £2.7m which is £746k or 21% below the Original Estimate (£3.52m) approved by Council on 20 February 2014. Information on the new Capital Programme can be found in **Essential Reference Paper 'I'** (Capital Programme 2014/15 – 2017/18).
- 12.2 Details on the movement of the capital programme are tracked and reported monthly to Executive via the Healthcheck budget monitoring process and it is therefore not proposed to list the detailed movements that have occurred throughout the year in this budget report. At a summary level the 2014/15 programme has changed as follows:
- Addition of 2013/14 approved capital schemes that slipped into 2014/15 (£892k).
 - Slippage of 2014/15 approved capital schemes into 2015/16 and the following year (£1,469k).
 - New schemes approved during the year (£335k).
 - Various savings made in capital scheme budgets (£254k).
- 12.3 In terms of the larger capital schemes that have slipped in this financial year these comprise:

- **Social Housing Grant** - £821k will slip into 2016/17. There is currently no commitment to spend the social housing scheme budget. Registered providers are currently awaiting the outcome of bids to the HCA (Homes and Community Agency). If unsuccessful they may approach the Council for funding and if they do so our first priority is to spend section 106 sums which have been collected for affordable housing.
- **Disabled Facilities Grant** - £200k will slip into 2015/16. Referral rates from Hertfordshire County Council (HCC) regarding residents seeking funding have been lower than anticipated this financial year.
- **Hartham Swimming Pool** - £135k will slip into 2015/16. The Pool Hall Air Handling Renewal scheme has been delayed as the procurement process has taken longer than expected because of the complexity of the scheme. The works have now been rescheduled.
- **Castle Weir** - £201k will slip into 2015/16. Revised plans for the Castle Weir Micro Hydro Scheme have been submitted to the Environment Agency however a response has not yet been received which means the scheme has been delayed.

12.4 **New Schemes seeking approval:** Detailed information on the individual programmes and schemes seeking Council approval are found in **Essential Reference Paper 'I'** (Capital Programme 2014/15 – 2017/18).

12.5 New capital schemes total £30k for this current financial year, £827k in 2015/16 and £902k and £1,085k for the next two financial years. Most of the capital programme for 2015/16 and future years comprise of schemes already approved by Council, the details of which can be found in **Essential Reference Paper 'I'**.

12.6 The new schemes include:

- Investment in Swimming Pools and recreation - refurbishing the Teaching Pool at Grange Paddocks (£35k) and enhancing facilities at Hartham Pavilion (£62k).
- Significant new investment over the next three years in our play areas and open spaces – installation of new play areas at Hartham Common (£275k), the Bourne, Ware (£41k), and Grange Paddocks, Bishop's Stortford (£96k), woodland restoration at Presdales Recreation Ground, Ware (£85k),

and open space improvements at Bishop's Park in Bishop's Stortford (£106k).

- Introduction of a £250k per annum rolling operational buildings programme to fund planned preventative capital maintenance and enhancement of the Council's operational buildings.
- A £400k per annum rolling programme for IT which will be used to replace systems that are old and no longer meet business needs and to invest in new systems where there is a business case to do so. For example the Council is seeking to deliver more on-line services that can be provided digitally, twenty-four-seven and in exploring the use of mobile technology so services can be delivered more efficiently to customers.
- A £50k per annum programme for land management which would be used to fund investigations and surveys of any potentially contaminated land in line with the Council's responsibilities under part 2a of the Environmental Protection Act 1990.

12.7 It is proposed that full Business Cases for schemes requiring funding from the IT and Operational Buildings rolling capital programmes would be scrutinised and approved by two officer forums, namely the existing ITSG Group and a soon to be established Strategic Asset Management Group. Officers would take the operational decision of which schemes to progress within the overall budget envelope agreed by Council.

12.8 At this point in time the capital programme does not include a possible large scheme (some £2m) of open space improvements and historical conservation work at Waytemore Castle in Bishop's Stortford. Discussions are currently being held with Heritage Lottery Fund and officers are preparing a bid for significant capital funding from the HLF that will go to Council for approval in February/March of 2015. Should Council agree to submit a formal bid to HLF for the funding of the scheme then it would also need to agree a supplementary capital budget approval for our share of the cost. Officers are also working up proposals for improving the open space around Hertford Castle for possible submission for Heritage Lottery Funding at a later date.

Table 7: Capital Programme and Funding 2014/15 to 2017/18

	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s
Capital Programme	2,771	2,719	2,987	2,259
To be funded by:				
Capital Receipts	(2,109)	(1,841)	(950)	(400)
Government Grants	(240)	(175)	(175)	(175)
Third party grants, contributions and S106	(397)	(134)	(14)	(275)
Revenue Contribution	(25)	(25)	(25)	(25)
Internal Funding	0	(544)	(1,823)	(1,384)
Total funding	(2,771)	(2,719)	(2,987)	(2,259)

Note: The brackets indicate an income source

- 12.9 **Proposed Capital Programme 2014/15 to 2017/18:** Table 7 summarises the proposals and describes how the capital programme will be funded. Further information on the funding can be found in **Essential Reference Paper ‘J’** (Capital Programme Funding Statement).
- 12.10 It should be noted that the capital receipts funding (income from the sale of Council property) is from estimated new property sales. There is therefore some risk that the Council may not achieve the estimated receipt from the sale or for the receipt to be delayed. In such cases more of the capital programme would need to be funded internally.
- 12.11 The Council currently funds a significant proportion of its capital programme from its cash resources (this is known as Internal Funding). This funding has a cost as for every £1m that is used to fund the capital programme the Council will currently receive £12k less interest income from its cash investments.
- 12.12 **Prudential Code implications:** The Council is required under the Local Government Act 2003 to ‘have regard to’ the requirements of the CIPFA Prudential Code which requires that certain performance measures and limits called Prudential Indicators are calculated. The Prudential Indicators must be approved by Full Council before the beginning of each financial year. Their purpose is to help the Council ensure that its capital investment plans are affordable, prudent and sustainable.

12.13 It is recommended that the capital programme being proposed in this budget report is affordable, prudent and sustainable. No new capital borrowing is needed. The relevant Prudential Indicators show that the ratio of finance costs (borrowing) to the net revenue stream is low (4.5% to 4.8%) and the incremental impact of financing the proposed new capital programme is an average of £0.35.

Table 8: Prudential Indicators 3 and 4

	2015/16	2016/17	2017/18
Ratio of finance costs to net revenue stream	4.79%	4.68%	4.45%
Incremental impact of financing decisions on Band D Council Tax	£0.34	£0.38	£0.32

12.14 **Revenue Budget Implications:** The implications are £22k of one-off growth in 2015/16 and on-going revenue savings of £21.5k from 2016/17 onwards. Details of the growth and savings arising from approving the capital programme are found in **Essential References Papers ‘F’** (growth) and **‘G’** (savings). The other revenue budget implication is the cost of funding the programme from Internal Funding, as noted above. The cost of the lost interest income is £7k in 2016/17, £22k in 2017/18 and £17k in 2018/19 although if interest rates should rise during this time period then the lost income would be higher.

13.0 Medium Term Financial Plan

13.1 **The MTFP is found in Essential Reference Paper ‘B’** (Revenue Budget – Medium Term Financial Plan). The MTFP position was last reported to Executive at its meeting on 2 September 2014. That report contained a number of areas that Strategic Finance was asked to assess before the MTFP position was presented to Council in February 2015.

13.2 One of the areas was to review the impact of underspends in 2013/14 and assess whether these are longer-term sustainable savings. An officer budget challenge process undertook this work which has resulted in £154k of savings being identified in 2015/16 onwards.

13.3 Another area was to review the impact of the Council’s Investment strategy on the revenue budget. This has been undertaken and we have estimated that the change from investing totally in the money market to holding £20 million in property unit trusts will

increase interest income from 2015/16 onwards. These increases have been built into the refreshed MTFP model.

- 13.4 Officers were also asked to review both earmarked and general reserves. This has been done and the results of that review are set out in section 14 of this budget report.
- 13.5 Key changes have been made to the MTFP position since last published regarding the key funding streams received by the Council. The figures now presented have benefited from extensive modelling work as well as a better understanding by officers on the complex interactions between NDR and Section 31 grant income. An explanation of the how the income figures have been derived is given in other sections of this report.
- 13.6 Work has also been undertaken on reviewing the direction of travel for the Council's Taxbase and significant increases have now been included in the MTFP model. There is substantial new housing development being built in the area over the medium term such as Bishop's Stortford North (730 properties 2016/17 – 2018/19 and 1870 thereafter [total 2600]), Buntingford Sainsbury's depot (179 properties 2016/17 – 2018/19 and 137 thereafter [total 316] and Bishops Stortford Hadham Road (124 properties 2016/17 – 2018/19 and 126 thereafter [total 250]). The increase in Taxbase has a beneficial impact on the amount the Council receives in Council Tax income and New Homes Bonus Grant.
- 13.7 A word of caution needs to be sounded for the MTFP estimates from 2016/17 onwards. These are the best estimates we can make given the potential changes to local government financing that may arise from a new central government and a new Public Sector Comprehensive Spending Review.

14.0 Review of the Council's Reserves

- 14.1 **Why Councils need to hold Reserves:** Reserves are either usable or unusable: the latter arise from statutory accounting requirements and cannot be used to fund revenue or capital expenditure. This report only considers the Council's usable reserves.
- 14.2 Usable reserves are either (a) earmarked, as a result of a policy decision by the Council to use them for a specific purpose or (b) unallocated - these reserves are part of the Council's risk management process and are our 'last line of defence' should

unforeseen financial difficulties emerge. The latter reserves are called General Reserves.

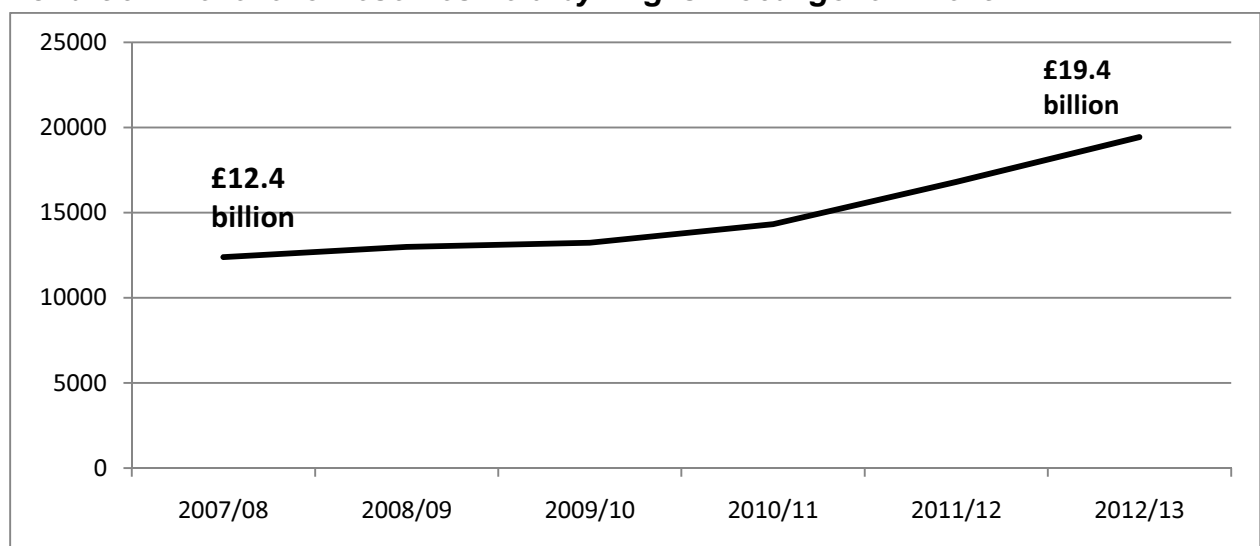
- 14.3 Reserves are an essential part of good financial management. They help Councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending. The level, purpose, and planned use of reserves are important factors for elected Members and council officers to consider in developing medium-term financial plans and setting annual budgets.
- 14.4 There is no set formula for deciding what level of reserves is appropriate and councils are free to determine the level of reserves they hold. Where councils hold very low reserves there may be little resilience to financial shocks and sustained financial challenges. However where reserves are too high there may be opportunity costs involved in holding these reserves (for example a lack of investment in making service changes that could generate better outcomes for residents).
- 14.5 The requirement for financial reserves is acknowledged in statute (Local Government Finance Act 1992). Full Council is responsible for approving the level of reserves and the Reserves Policy whilst the Section 151 Officer has a statutory duty to report publically to Council on the adequacy of reserves when calculating the annual budget requirement.
- 14.6 CIPFA issues guidance on reserves and the latest guidance (LAAP Bulletin 99) identifies the issues to consider in determining an appropriate level of reserves as follows:
- What is the overall financial standing of the Council? (Level of borrowing, debt outstanding, Council tax and NNDR collection rates, exposure to volatility in the financial markets, etc.)
 - What is the Council's track record in budget and financial management?
 - What reserves and contingencies are available to deal with any emergencies or overspending?
 - Are the Council's insurance arrangements adequate to cover major unforeseen risks?
 - Are there any significant financial risks inherent in any funding partnerships, major outsourcing arrangements, or major capital developments?
 - What level and timing of capital receipts are needed to fund the capital programme?

- Does the Council have large risky demand led budgets? How volatile are these?
- What is the size of planned efficiency savings / productivity gains needed to balance the budget? Are these plans robust and deliverable?
- How is inflation treated in the budget?
- What external factors could impact on the Council? (In particular the external financial climate and future funding levels expected from government)

14.7 It should be noted that the External Auditor will only ever comment on the reserves position of a Council if it has breached its Reserves Policy or if the Council, in the External Auditor's opinion, has low levels of reserves relative to spending.

14.8 The Council currently holds reserves some £1.4 million in excess of its current Reserves Policy (as at the 31/3/2014). This fact has been highlighted by the External Auditor in the Annual Audit Letter. The Director of Finance and Support Services has therefore reviewed the Council's Reserves position in light of the financial risks facing the Council and the national and local context. This review is discussed in the following paragraphs.

Chart 3: The level of reserves held by English local government



Source: Department of Communities and Local Government

14.9 **The national context:** National statistics from the Department of Communities and Local Government (chart 3) show that Councils have significantly built up their reserves over the last 6 years. Total Council reserves (General Fund and Earmarked Reserves) have increased from £12.4 billion in 2008 to £19.4 billion in 2013 – an increase of 57%. The Audit Commission stated that 77% of

all Councils had increased reserves, relative to spending, over this period (Source: 'Striking a Balance' December 2012). During this same period East Herts' reserves grew from £8.9m to £14.2m a growth of 60%.

14.10 Single-tier and county councils hold most of the reserves whilst District Councils generally have much higher reserves relative to their spending and are less likely to earmark them (Source: Audit Commission). The Audit Commission also report that councils often have higher reserves at the end of the year than they plan for in the budget and that variation from plans is generally greater for district councils.

14.11 **The local context:** A desk-top review analysing the reserves position of other Hertfordshire councils (excluding any capital receipts/grants and housing reserves) is shown in Table 9 and chart 4 below.

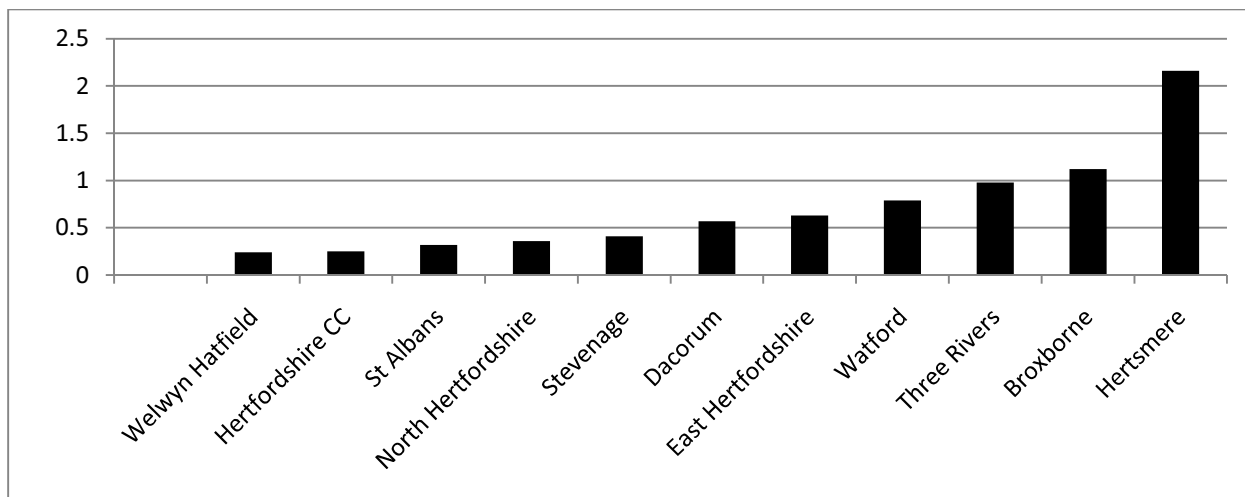
14.12 Out of the 10 Hertfordshire District Councils, 4 districts (Watford, Three Rivers, Broxbourne and Hertsmere) hold higher reserves (as a percentage of the Net Cost of Services) than East Herts whilst one other (Dacorum) is almost similar to us. All bar two of the Hertfordshire Councils have increased their reserves from 2012/13 to 2013/14.

Table 9: Hertfordshire Councils: Usable Reserves Position @ 31/3/14 (£000s)

Council	Net cost of services	General Fund Balance	General Reserve	Earmarked Reserves	Total Usable Reserves	Increases or decrease in reserves from previous year	Usable reserves as a % of net cost of services
Welwyn Hatfield	27,643	5,490	0	1,007	6,497	Increase	24%
St Albans	19,714	5,039	0	1,280	6,319	Increase	32%
North Hertfordshire	22,207	3,932	0	4,002	7,934	Increase	36%
Stevenage	17,054	4,817	0	2,254	7,071	Increase	41%
Dacorum	30,110	2,697	0	14,332	17,029	small decrease	57%
East Hertfordshire	19,366	3,854	4,241	8,374	12,228	Increase	63%
Watford	27,814	1,350	0	20,625	21,975	Increase	79%
Three Rivers	14,154	5,069	0	8,786	13,855	Increase	98%
Broxbourne	13,653	6,181	0	9,044	15,225	Increase	112%
Hertsmere	11,519	9,418	0	15,437	24,855	Increase	216%
Hertfordshire CC	716,200	25,180	0	155,616	180,796	decrease	25%

Source: Audited 2013/14 Statement of Accounts

Chart 4: Hertfordshire Councils; Usable Reserves as a % of Net Cost of Services



Source: Published Statement of Accounts

14.13 The Council's current reserves position: There has been a significant increase in the level of reserves, particularly Earmarked Reserves, over the last seven years (see Chart 5). Reserves stood at £8.9 million at the end of 2007/08 and were £16.5 million at the beginning of this financial year (£8.1 million in General Reserves and £8.4 million in Earmarked Reserves). As has been pointed out above, this growth is fully consistent with the national trend within local government.

14.14 The MTFP forecast position shows that there are no planned contributions or withdrawals to/from the General Reserves whilst a net £1.836 million is planned to be used from Earmarked Reserves from 2014/15 to 2018/19 representing 11% of the total reserves held by the Council.

Chart 5: East Herts actual and forecast Reserves position 2007/8 to 2018/19

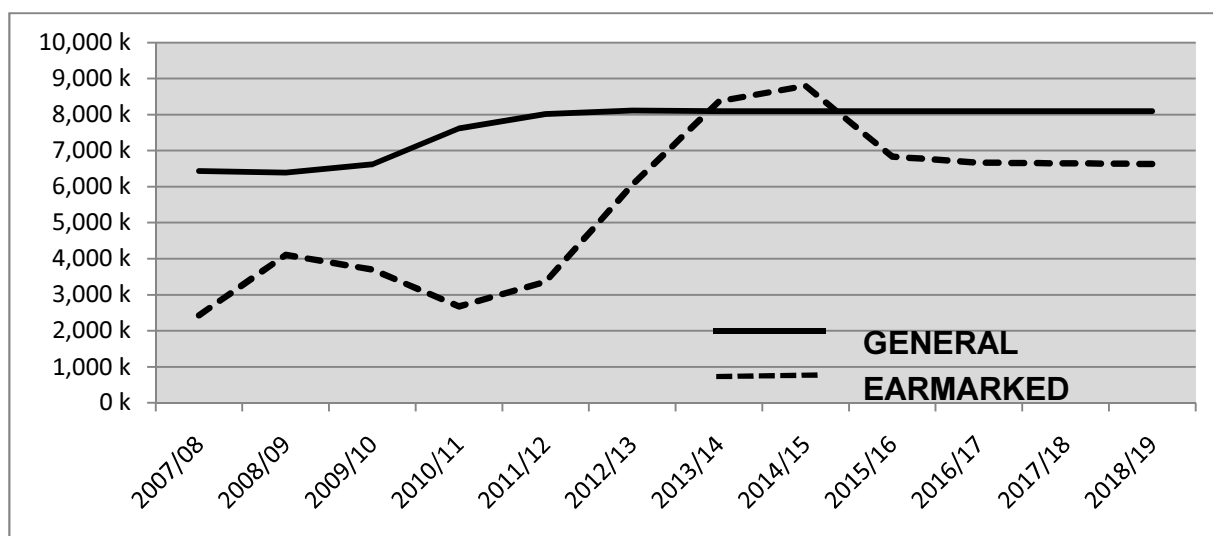
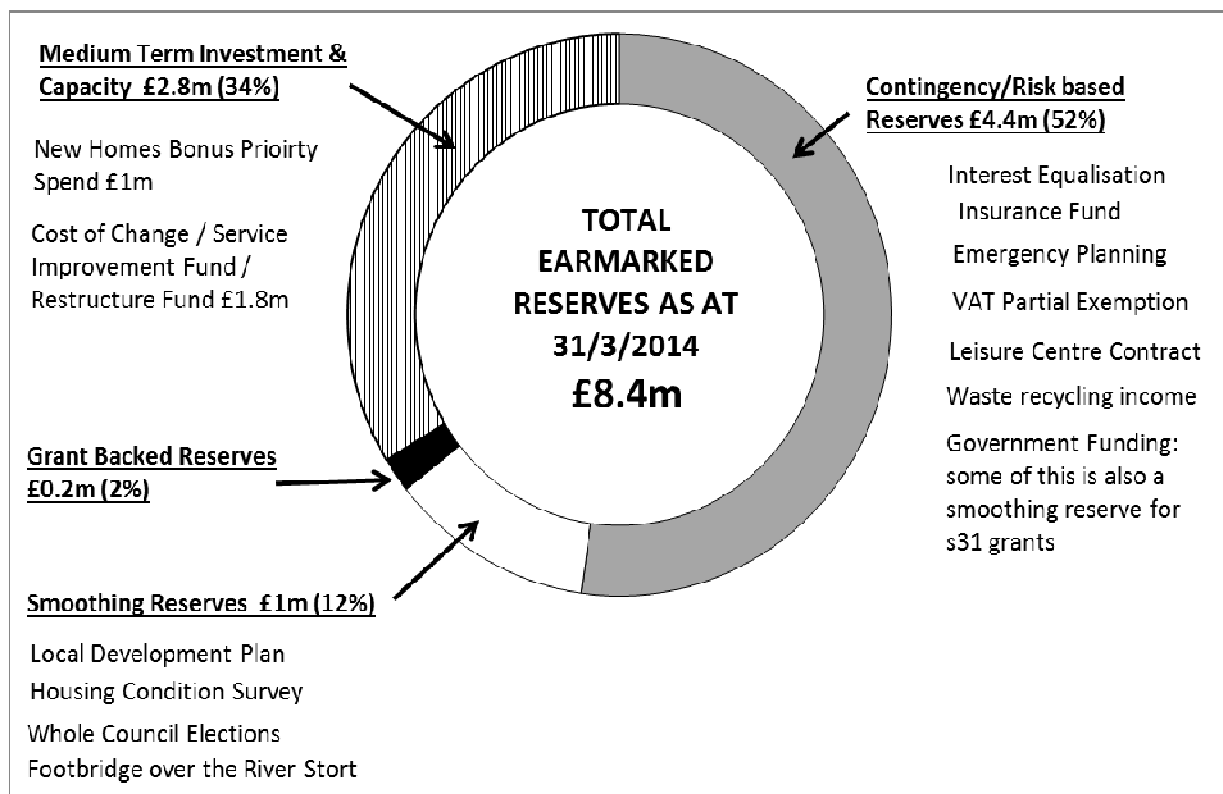


Chart 6: East Herts' Earmarked reserves analysed into four types of reserve



14.15 Review of Earmarked Reserves: These reserves can essentially be split into the following categories (see chart 6):

- Smoothing reserves: where the impact of cyclical known spending is funded from a reserve so as not to impact on the base revenue budget.
- Contingency/risk based reserves: to fund adverse impacts of certain events occurring for example uninsured losses, emergencies, income being lower than anticipated.
- Grant backed reserves where expenditure has to comply with certain grant conditions.
- Medium Term Investment: reserves that give financial capacity to fund economic development initiatives and to fund transformational change.

14.16 A review of Earmarked Reserves has been undertaken by Strategic Finance and other relevant officers to assess whether:

- There is an ongoing rationale for the reserve;
- What level of reserve is required;
- The length of time that the reserve is needed; and
- Whether any new reserve may be required.

14.17 The review has concluded that in the majority of cases there is an on-going need for the reserve. However, some changes and amendments are recommended and these are set out below.

Table 10: Proposed changes to reserves arising from the review

Name of Reserve	Increase/ (Decrease) Reserve £000s	Explanation
VAT Partial Exemption Reserve	(145)	Consideration of the VAT rules and the Council threshold indicate that it is unlikely that there will be a call on this reserve. Therefore proposal is to remove this reserve completely.
Insurance Reserve	1,000	Increase by £1m in anticipation of setting up a self- insurance fund for some areas in order to reduce our insurance premiums in the future. A broker review is planned which will inform the future strategy for insurance arrangements.
Waste Recycling Income	25	Increase in Reserve due to continuing reductions in both recycling volumes and prices.
Commercial Property Fund	500	A new reserve is proposed to be established to support the development of investment opportunities in commercial property.
Transformation Reserve	1,000	The restructure fund, cost of change reserve and service improvement fund will be amalgamated into a new transformation reserve. Additional money is recommended to be added to amounts already in the reserve to fund process review and redesign projects. Officers will bring forward proposals in the next financial year.
LABGI Reserve	0	LAGBI reserve was set up to support economic development. The majority of the reserve has been utilised and the balance will be

		moved to the New Homes Bonus priority spend reserve.
Pension Fund Additional Contribution Reserve	1,000	The Council's most recent triennial valuation was undertaken in March 2013. The result showed that the deficit position had improved slightly from the previous valuation, resulting in a Deficit Contribution of £19.717m (£20.585 m in 2010) and a funding level of 79% (74% in 2010). The Council agreed to make an additional pension contribution in 2013/14 of £1.008 million. An additional payment in 2015/16 would help to reduce this past liability further. In order to make this payment an actuarial valuation would need to be commissioned so that the impact on the deficit can be demonstrated. The cost of this advice would be charged against the reserve.
Interest Equalisation Reserve	(1,800) £600k reduction per annum from 2014/15	Given that we anticipate the Bank Rate increasing in the future and higher levels of interest income arising from our investments in property it is felt that this Reserve is too high. It is recommended that £1.8 million is taken out (at a rate of £600k per annum starting from 2014/15).

14.18 The impacts of agreeing these changes to the Reserves Position are:

- A reduction in the amount of General Reserve the Council holds which would mean that that General Reserves would no longer be over the Council's policy threshold,
- An initial corresponding increase in the amount of Earmarked Reserves held (with the possibility that £1m will be paid to the Pension Fund as an additional contribution during 2015/16), and
- A more robust rationale for the level and purpose of holding the Council's Earmarked Reserves.

14.19 An analysis of the Reserves position both before and after these proposals is given in the table below. It should be noted that these proposals have not been included elsewhere in this budget report nor in the Reserves position shown in **Essential Reference Paper 'K'** (The Council's Reserves Position).

Table 11: The Reserves both before and after the proposals for change

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000s	£000s	£000s	£000s	£000s
POSITION BEFORE PROPOSED CHANGES					
General Reserves	8,095	8,095	8,095	8,095	8,095
Earmarked reserves	8,849	7,163	6,702	6,530	6,538
TOTAL RESERVES	16,944	15,258	14,797	14,625	14,633
POSITION AFTER PROPOSED CHANGES ARE IMPLEMENTED					
General Reserves	5,315	5,916	6,516	6,516	6,516
Earmarked reserves	11,629	8,342	7,281	7,109	7,117
TOTAL RESERVES	16,944	14,258	13,797	13,625	13,633

14.20 **An analysis of the Council's financial risks:** The Stress test: Financial Risks facing the Council, **Essential Reference Paper 'L'**, gives an analysis of the key financial risks for the Council.

14.21 The risk analysis shows that the Council **currently** is in a healthy financial position and faces relatively low financial risk. However this position is time limited: the potential changes and consequential impacts arising from the external environment, such as further cuts to local government funding and a possible downturn in the national and local economy, whilst difficult to predict and assess, are likely to be very significant. In addition significant pressures from the external environment will often have an impact on areas we currently manage at low risk, for example, if service budgets are reduced due to cuts in national local government funding the risk of overspending (which is currently a low risk) could increase.

14.22 It is consequently the Director of Finance and Support Services' view that there is huge uncertainty going forwards, particularly from 2016/17 onwards. This uncertainty is shared by other local government Chief Finance Officers. The results of the 2015 national election and the direction and impact of the new

Comprehensive Spending Review pose unknown but significant financial risks to the Council. It is therefore suggested that this is possibly the worst year, since the current national government was elected and produced the current Spending Review, for the Council to make significant decisions on reducing its reserves.

15.0 Advice from the Director of Finance and Support Services (Section 151 Officer)

15.1 Section 25 of the Local Government Act 2003 requires the Statutory Section 151 Officer (the Director of Finance and Support Services) to give advice to Council on the levels of reserves held and the robustness of the estimates at the time Council makes its decision on the budget proposals.

15.2 It is the advice of the Director of Finance and Support Services that these estimates are prudent, sensible, and robust. In determining the estimates we have:

- Extensively modelled all key funding sources;
- Produced a zero-based salaries budget (representing a significant proportion of the Council's budget);
- Reviewed the Housing Benefits Subsidy budget – the Council's largest area of expenditure and income;
- Refreshed the MTFP model (as requested by Executive in September 2014) including assumptions around growth and savings;
- Reviewed the Council's Earmarked and General Reserves position;
- Considered the revenue impacts of capital schemes including outcomes of the investment strategy;
- Identified and assessed the possible impact of the key financial risks facing the Council;
- Made budget proposals that meet the requirements of the Local Government Finance Act 1997 for a balanced revenue budget position; and
- In line with Council agreed policy to try and minimise the financial impact of budget proposals on East Herts residents we are also proposing low or zero Council Tax rises over the life of the MTFP. In addition the Council Tax Support Scheme remains unchanged and where possible fees and charges increases are minimal.

15.3 Mention has already been made in the relevant parts of this

Budget Report to the uncertainty facing East Herts, and all Councils, from 2016/17 onwards. The estimates given in the MTFP from that financial year onwards are the best estimates we can make at this point in time until we know, presumably this time next year, how the new Public Sector Comprehensive Spending Review will impact us.

- 15.4 East Herts has a relatively healthy financial position compared to many other councils and the proposals in this budget report will maintain this position.

16.0 Implications/Consultations

- 16.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

- 'Calculation of the Council Tax base', report to Council on 17 December 2014
- 'Non Domestic Rates Calculation 2015/16', report to Council on 28 January 2015
- 'Treasury Management Strategy and Annual Investment Strategy 2015/16', report to Council on 18 February 2015.
- LAAP Bulletin 99 'Local Authority Reserves and Balances' July 2014, *CIPFA*
- 'Striking a Balance: Improving councils' decision making on reserves', December 2012, *Audit Commission*

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Contact Officer: Adele Taylor – Director of Finance and Support Services, Extn: 1406. adele.taylor@eastherts.gov.uk

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p>People – Fair and accessible services for those that use them and opportunities for everyone to contribute</p> <p>This priority focuses on delivering strong services and seeking to enhance the quality of life, health and wellbeing, particularly for those who are vulnerable.</p> <p>Place – Safe and Clean</p> <p>This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p>Prosperity – Improving the economic and social opportunities available to our communities</p> <p>This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic opportunities and delivering cost effective services.</p>
<p>Consultation:</p>	<p>Consultation with the Business Community was undertaken and is reported in Essential Reference Paper 'M'.</p>
<p>Legal:</p>	<p>The Council must set a lawful and balanced budget and subsequently set a council tax for 2015/16 within prescribed timeframes.</p> <p>Members should have regard to the advice of the Section 151 Officer but may take decisions at variance with this advice where there are reasonable grounds to do so.</p> <p>It is an offence for any Member with arrears of Council Tax outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made unless the Member concerned declares at the outset of the meeting that s/he is in arrears and will not be voting on the decision for that reason.</p>
<p>Financial:</p>	<p>The entire report is a financial report as it sets out proposals for the 2014/15 Revised and 2015/16 Original Estimates.</p>

Human Resource:	<p>Matters impacting on staffing are included in the Budget Report specifically:</p> <ul style="list-style-type: none"> • The assumptions the Council has made in the budget to the Local Award, and • The funding of new largely temporary posts from budget growth, contingency and various Earmarked reserves.
Risk Management:	<p>An analysis of the financial risks is given in Essential Reference Paper 'L'. This analysis has an important bearing on the advice given by the Section 151 Officer in section 15 of the Budget Report.</p>
Health and wellbeing – issues and impacts:	<p>There are no health and wellbeing issues and impacts associated with the proposals contained within this report</p>

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REVENUE BUDGET - MEDIUM TERM FINANCIAL PLAN								
Summary Model - January 2015								
	2013/14 Actual	2014/15	2014/15 Revised Estimate	2015/16	2016/17	2017/18	2018/19	Budget Report Section (2015/16 Estimate)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Net Cost of Services	14,373	14,278	14,826	14,476	14,340	14,912	15,498	5
Growth Items	-	-		654	432	430	429	6
Efficiency Savings - Existing plans				(107)	(281)	(281)	(281)	6
Fees & Charges	-	-		(17)	(122)	(248)	(376)	7
Likely Future Changes	-	-		-	76	(155)	(197)	
Corporate Budgets								
New Homes Bonus Priority Spend	36	548	353	357	695	879	945	8
New Homes Bonus Grants to Town & Parish Councils	323	548	551	697	837	879	945	8
Council Tax Support Scheme	255	127	127	-	-	-	-	
Contingency Budget	-	513	117	476	333	65	137	
Interest Payments	661	662	662	662	662	662	662	8
Interest & Investment Income	(942)	(895)	(803)	(867)	(1,130)	(1,472)	(1,915)	8
RCCO	25	25	25	25	25	25	25	8
Pension Fund Deficit Contribution	672	600	600	600	600	600	600	8
Net Expenditure	15,402	16,406	16,459	16,957	16,466	16,296	16,471	
Contributions to Earmarked Reserves	2,958	39	1,271	144	42	42	42	9
Contributions from Earmarked Reserves	(635)	(168)	(796)	(1,831)	(503)	(213)	(34)	9
Use of General Reserve	(13)	-	-	-	-	-	-	
Net Expenditure after reserves	17,712	16,277	16,934	15,269	16,005	16,125	16,479	
Funding								
Revenue Support Grant	(3,573)	(2,815)	(2,815)	(2,057)	(1,387)	(929)	(752)	10
Council Tax Freeze Grant	(93)	(94)	(94)	-	-	-	-	10
NDR	(3,127)	(2,423)	(1,704)	(1,717)	(1,781)	(2,045)	(1,961)	10
Section 31 Grants	(484)		(1,037)	(1,060)	(718)	(534)	(552)	10
(Surplus)/Deficit on Collection Fund	(157)	-	(307)	1,244	298	149	-	
Other general grants	(188)	(16)	(16)	-	-			
New Homes Bonus	(1,414)	(2,190)	(2,223)	(2,790)	(3,347)	(3,516)	(3,778)	10
Demand on Collection Fund	8,677	8,738	8,738	8,889	9,069	9,249	9,436	11
Council Taxbase	55,084	55,469	55,469	56,425	56,989	57,559	58,135	
Council Tax at Band D	157.54	157.54	157.54	157.54	159.12	160.69	162.31	

Percentage Increase in Council Tax 0.00% 0.00% 0.00% 1.00% 1.00% 1.00%

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KEY VARIANCES FROM THE 2014/15 REVISED TO ORIGINAL ESTIMATES (NET COST OF SERVICES)

Customer and Community Services:

Description	Adverse variance	Favourable variance	Impact on next year?
	£000s	£000s	
Anticipated loss of income arising from the new car parking charging policy agreed by Council in August 2014. This loss is funded from the New Homes Bonus Priority Spend Budget.	198		Yes
Increase in parking display income up to August 2014		(26)	No
Underspend in Parking Enforcement Contract as the contingency held for 'bedding in' the new contract is no longer required (£82k) and the mobile ANPR scheme has been delayed (£20k).		(103)	Yes
Overspend in Kerbside dry recycling collection as materials are now hauled by the Council rather than the contractor to the waste reprocessor	83		Yes
Trade Waste collection net increase in income of £16k due to increased demand less higher contract costs due to the need to collect more		(16)	Yes
Savings in the refuse contract budget arising from the lower amount of non-core work needed		(28)	No
Reduced contribution from the County Council for waste recycling	35		No
Uplift in the grant contribution to the Citizen's Advisory Bureau as agreed by Executive on 1 July 2014	20		Yes
General reduction in income across the markets	24		Yes

Note: The brackets indicate an income budget or an underspend

ESSENTIAL REFERENCE PAPER 'C'

Neighbourhood Services:

Description	Adverse variance	Favourable variance	Impact on next year?
	£000s	£000s	
Increase in fees and charges income from Development Management due to increasing economic activity which is forecast to last for the next three years		(339)	Yes
Increase in the Local Development Plan budget to fund the production of the Plan to be funded by the Local Development Plan Earmarked Reserve (£190K) and £40k from the Local Enterprise P/ship and Planning Advisory Service.	230		Yes
The incorporation of the previous DCLG Housing Options Grant into Revenue Support Grant in 2014/15 (and an overall reduction in the latter) effectively means the Council has to replace this funding source from its own budget.	50		Yes
Inclusion of a new grants budget to support local businesses who incurred losses in the 2013/14 floods. This will be funded from a DEFRA grant received in 2013/14 and now in the DEFRA flood support Reserve.	125		No
Building Control Service - The Safestyle UK Partnership commenced in October 2014 and volumes are higher than anticipated and the expected gross income has been increased to £24,000.		(24)	Yes
Increase in income from Renovation Grants being repaid when a property which has benefited from the grant is sold		(23)	Yes
Overspend in the Police Community Safety Officers' budget due to the budget not being sufficient to pay our contribution to the County Council	22		Yes
Savings in transport related costs due to loss of essential user allowance		(21)	Yes

Note: The brackets indicate an income budget or an underspend

ESSENTIAL REFERENCE PAPER 'C'

Finance and Support Services:

Description	Adverse variance	Favourable variance	Impact on next year?
	£000s	£000s	
The Housing Rent Allowances and Subsidy budgets have been reviewed to reflect actual activity for this year up to the end of October 2014 extrapolated to the end of the financial year. The Revised Estimate also better reflects the actual 2013/14 outturn position on these budgets.		(470)	Yes
A saving of £39k in the IT licences budget arising from the implementation of the Civica Financials System.		(39)	Yes
Net savings resulting from reversing the accrual made for past years' electricity costs at Charington House (not passed on by the landlord and now agreed that they will not be charged to the Council) offset by an increase in service charges (arising from the discovery that the Council's air conditioning system was running off the landlord's electricity supply).		(77)	Yes
Reduction in Non-Domestic Rates budget arising from successful appeals of Council premises		(36)	Yes
A net adverse movement in the Legal Services budget where forecast savings of £20k in contracted litigation services is offset by a forecast and ongoing reduction in legal fees recovered of 25k.	5		Yes
Increase in land charge income due to additional activity in the housing market		(26)	Yes
Reduced audit fees and bank charges		(21)	Yes
Increase in DWP New Burdens grant received after Original Budget agreed		(28)	Yes
Introduction of a Bad Debt Provision for Housing Benefits based on 2013/14 level of debt outstanding	110		Yes

Note: The brackets indicate an income budget or an underspend

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ERP D - Summary of Estimates (Net Cost of Services)

ALL DIRECTORATES

SUMMARY OF ESTIMATES

	2013/14 ACTUAL £	2014/15 ESTIMATE £	2014/15 REVISED EST £	2015/16 ESTIMATE £
Chief Executive and Director of Customer & Community Services	175,761	150,370	150,730	149,630
Project Co-Ordinator	1,710	0	38,900	44,080
Business Development	78,813	84,350	80,780	133,040
Environmental Services	5,954,358	5,419,640	5,532,970	5,598,410
Customer Services & Parking	(1,059,585)	(757,110)	(651,900)	(573,960)
Communications, Engagement & Cultural Services	1,002,617	936,040	934,780	943,420
Economic Development	131,465	82,940	112,860	106,080
CUSTOMER & COMMUNITY SERVICES	6,285,139	5,916,230	6,199,120	6,400,700
Director of Neighbourhood Services	125,374	116,300	115,890	115,870
Corporate Support Team	95,853	107,630	97,820	108,900
Planning & Building Control	1,183,642	1,131,120	1,033,610	1,087,070
Community Safety & Health	1,429,359	1,462,330	1,622,220	1,368,930
Housing Services	559,685	440,410	549,160	464,420
NEIGHBOURHOOD SERVICES	3,393,913	3,257,790	3,418,700	3,145,190
Director of Finance & Support Services	131,422	130,860	123,460	129,040
Human Resources & Organisational Dev	402,660	340,700	401,350	370,350
ICT, Print & Graphic Design Shared Services	1,348,352	1,280,910	1,360,810	1,283,830
Strategic Finance	204,102	132,280	322,380	189,560
Governance & Corporate Risk	1,407,658	1,423,740	1,429,520	1,400,920
Democratic & Legal Support Services	499,328	555,750	476,840	617,660
Revenues & Benefits Shared Service	(174,129)	465,350	228,220	105,320
Corporate & Democratic Core and Other Expenses	874,912	775,060	865,920	832,770
FINANCE & SUPPORT SERVICES	4,694,305	5,104,650	5,208,500	4,929,450
NET COST OF SERVICES	14,373,357	14,278,670	14,826,320	14,475,340

Note: Brackets indicate income

ERP D - Summary of Estimates (Net Cost of Services)

CUSTOMER & COMMUNITY SERVICES

SUMMARY OF ESTIMATES	2013/14 ACTUAL £	2014/15 ESTIMATE £	2014/15 REVISED EST £	2015/16 ESTIMATE £
Chief Executive and Director of Customer & Community Services	175,761	150,370	150,730	149,630
Project Co-Ordinator	1,710	0	38,900	44,080
Business Development	78,813	84,350	80,780	133,040
Environmental Services	1,067,776	985,770	1,023,360	984,070
Allotments	193	100	200	200
CUSTOMER & COMMUNITY SERVICES	135,739	136,250	140,250	143,150
Public Conveniences	99,056	94,670	97,000	93,070
Refuse Collection - Domestic	1,611,873	992,550	958,550	970,300
Refuse Collection - Commerical	(157,829)	(164,480)	(178,900)	(138,000)
Clinical Waste	(64,098)	(61,700)	(68,400)	(67,100)
Street Cleansing & Litter Control	907,253	913,420	929,650	924,380
Recycling	752,477	736,500	848,200	868,850
Parks & Open Spaces	1,096,854	1,125,260	1,126,030	1,106,330
Buntingford Service Centre	194,221	235,050	214,080	223,820
Animal Control	33,486	27,410	27,870	27,300
Pest Control	66,646	49,350	53,810	50,470
Environmental Co-Ordination Section	31,965	25,850	26,510	25,800
Herts Environmental Forum	(650)	(4,310)	(200)	(1,240)
Environmental Co-Ordination Service	11,021	30,350	24,750	30,350
Leisure Services	51,996	48,750	59,220	93,250
Leisure Development	2,128	2,220	2,220	2,220
Leisure Provision	103,705	224,480	226,870	244,020
Customer & Community Admin	10,546	22,150	21,900	17,170
Environmental Services Total	5,954,358	5,419,640	5,532,970	5,598,410
Head of Customer Relations	133,809	121,210	134,030	124,540
External Customer Services	352,460	346,260	345,250	340,330
Digital Media & Information Management	205,352	177,800	192,640	174,490
Car Parking	361,310	386,770	387,840	377,910
Car Parks	(2,112,516)	(1,789,150)	(1,711,660)	(1,591,230)
Customer Services & Parking Total	(1,059,585)	(757,110)	(651,900)	(573,960)
Head of Communications, Engagement & Cultural Services	85,081	74,120	75,760	74,400
Communications	155,119	149,980	143,920	144,040
Engagement & Partnership Team	144,023	124,660	125,610	129,240
CABs	129,000	129,000	149,000	149,000
Transportation	84,601	86,650	86,650	86,650
Community Projects	154,335	154,020	139,250	124,060
Hertford Theatre & Café	250,458	217,610	214,590	236,030
Communications, Engagement & Cultural Services Total	1,002,617	936,040	934,780	943,420
Economic Development Section	104,105	91,340	88,570	88,220
Markets	(11,009)	(33,210)	(8,140)	(7,050)
Tourism	1,507	3,460	3,280	3,510
Economic Development	36,862	21,350	29,150	21,400
Economic Development Total	131,465	82,940	112,860	106,080
NET COST OF SERVICES	6,285,139	5,916,230	6,199,120	6,400,700

Note: Brackets indicate income

ERP D - Summary of Estimates (Net Cost of Services)

NEIGHBOURHOOD SERVICES

SUMMARY OF ESTIMATES	2013/14 ACTUAL £	2014/15 ESTIMATE £	2014/15 REVISED EST £	2015/16 ESTIMATE £
Director of Neighbourhood Services	125,374	116,300	115,890	115,870
Corporate Support Team	95,853	107,630	97,820	108,900
Development Plans	277,270	241,970	328,560	304,800
Building Control Section	709,655	666,910	639,230	668,170
Development Control Section	1,447,576	1,363,440	1,367,160	1,377,240
Development Plans Service	70,980	81,600	281,860	311,860
CUSTOMER & COMMUNITY SERVICES	(546,506)	(576,800)	(598,200)	(679,000)
Development Control Service	(775,333)	(646,000)	(985,000)	(896,000)
Planning & Building Control Total	1,183,642	1,131,120	1,033,610	1,087,070
Community Safety, Health, Engineers Admin	39,729	47,470	45,470	39,470
Community Protection	309,678	289,780	309,070	295,640
Hackney Carriages	(141,236)	(131,600)	(137,000)	(132,350)
Gambling, Alcohol & Entertainment	(132,259)	(124,000)	(129,070)	(129,000)
Emergency Planning	31,001	31,710	27,710	27,460
Community Safety Section	77,516	69,100	76,700	66,120
Community Safety Initiatives	85,668	108,680	124,620	92,670
Engineering & Drainage Section	77,937	68,500	70,030	68,280
Engineering & Land Drainage	69,616	62,620	72,940	63,660
Environmental Health Section	1,004,741	951,100	990,080	950,880
Private Sector Housing	(12,496)	59,500	29,830	16,950
Env Health Services Commercial	(19,584)	(13,970)	(18,840)	(14,970)
Environmental Health Promotions	1,015	7,370	12,020	7,050
Environmental Pollution	38,033	62,800	148,660	17,070
Less Carried Forward Budgets		(26,730)		
Community Safety & Health Total	1,429,359	1,462,330	1,622,220	1,368,930
Housing Section	407,451	374,270	393,270	392,380
Other Housing	4,208	(170)	(140)	(70)
Enabling	17,500	17,500	17,500	17,500
Housing Options	145,432	100,890	183,910	100,130
Hillcrest Hostel	(14,906)	(52,080)	(45,380)	(45,520)
Housing Services Total	559,685	440,410	549,160	464,420
NET COST OF SERVICES	3,393,913	3,257,790	3,418,700	3,145,190

Note: Brackets indicate income

ERP D - Summary of Estimates (Net Cost of Services)

FINANCE & SUPPORT SERVICES

SUMMARY OF ESTIMATES	2013/14 ACTUAL £	2014/15 ESTIMATE £	2014/15 REVISED EST £	2015/16 ESTIMATE £
Director of Finance & Support Services	131,422	130,860	123,460	129,040
Human Resources & Organisational Dev	402,660	340,700	401,350	370,350
Shared ICT Service	560,218	746,825	755,790	761,370
Shared Print & Graphic Design Service	55,965	102,420	132,490	135,140
Retained ICT, Print & Graphic Design	732,169	504,990	472,530	387,320
Less Carried Forward Budgets		(73,325)		
CUSTOMER & COMMUNITY SERVICES	1,348,352	1,280,910	1,360,810	1,283,830
Financial Services	531,264	467,390	611,050	379,350
Property & Asset Management	146,709	112,740	134,860	263,000
Miscellaneous Properties	(479,095)	(459,850)	(440,690)	(464,790)
Street Lighting	5,224	12,000	17,160	12,000
Strategic Finance Total	204,102	132,280	322,380	189,560
Corporate Risk & Insurance	181,560	166,310	178,110	181,560
Shared Internal Audit Services	107,617	115,300	114,540	111,600
Procurement	45,351	54,330	63,350	65,670
Exchequer Services	0	0	0	92,740
Facilities Management	240,923	288,650	290,360	214,000
Courier	26,216	26,380	26,110	25,260
Document Management	85,686	77,490	95,170	0
Wallfields - Hertford	529,604	532,045	541,970	510,250
Charrington House (Part)	190,701	201,480	119,910	199,840
Less Carried Forward Budgets		(38,245)		
Governance & Corporate Risk Total	1,407,658	1,423,740	1,429,520	1,400,920
Democratic Services	323,647	301,880	296,910	300,850
Land Charges & LLPG Section	124,031	128,230	127,540	129,500
Legal Services	246,555	252,080	195,870	240,370
Burials	3,914	1,000	3,000	3,000
Elections	51,691	75,000	75,000	165,000
Land Charges Service	(252,106)	(202,440)	(221,480)	(221,060)
Street Naming & Numbering	1,596	0	0	0
Democratic & Legal Support Services Total	499,328	555,750	476,840	617,660
Revenues & HB Section	(308,991)	(268,590)	(310,250)	(304,150)
Revenues & HB - Shared Service	1,482,551	1,401,230	1,594,260	1,595,520
Benefits Service	(1,417,938)	(787,290)	(1,257,690)	(1,186,050)
Welfare Reform	70,249	219,750	201,900	0
Less Carried Forward Budgets		(99,750)		
Revenues & Benefits Service Total	(174,129)	465,350	228,220	105,320
Corporate & Democratic Core	641,290	676,060	656,150	732,270
Other Expenses	233,622	99,000	209,770	100,500
Corp & Democratic and Other Expenses Total	874,912	775,060	865,920	832,770
NET COST OF SERVICES	4,694,305	5,104,650	5,208,500	4,929,450

Note: Brackets indicate income

ESSENTIAL REFERENCE PAPER 'E'

Pay and Price assumptions used in the MTFP

Factor	Note	2015/16	2016/17	2017/18	2018/19
Council Tax Increase		0%	1.00%	1.00%	1.00%
National Pay award	1	2.20%	1.50%	1.50%	1.50%
Increments and Local award	2	0.75%	0.75%	0.75%	0.75%
Members allowances	3	2.00%	1.50%	1.50%	1.50%
Price Inflation	4	2.30%	2.10%	2.00%	2.00%
Contract Inflation (general)	5	2.30%	2.10%	2.00%	2.00%
Council Tax Base	6	1.72%	1.00%	1.00%	1.00%
Fees and Charges (general)	7	2.50%	2.50%	2.50%	2.50%

Notes

1. Based on a continued pay restraint ceiling through the life of the MTFP.
2. Annual 0.75% increase to take account of increments and local award.
3. Members' allowances are set by Independent remuneration Panel but for planning purposes only, have included up rating in line with current assumptions around pay.
4. Price inflation is based upon OBR (Office for Budget Responsibility) predictions around inflation in future years.
5. Contract inflation is based upon OBR predictions around inflation in future years in line with the indices specified in the relevant contract.
6. Council Tax base increases have been calculated using trend information. Further revisions may apply once more data on the impact of Council Tax support has been analysed.
7. Fees and Charges income levels assumed to increase by 2.5%. This may be through generation of additional income or where appropriate price increases.

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REVENUE BUDGET GROWTH PROPOSALS

	Description	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s
NEW GROWTH					
NEIGHBOURHOOD SERVICES					
Community Safety and Health					
Food Inspections	Additional funding required to carry out Annual Food Inspections. Previously these costs have been met from salary savings. With smaller and more accurate salary budgets this is no longer possible.	10.0			
Private Sector Housing	Loss of Government Grant funding for Disabled Facilities Grants following change in allocation method. No longer funded direct from DCLG. From 2015/16 Grant to be distributed via HCC	55.0			
Environmental Health	One - off funds for additional salary costs required in 2015/16 to provide the opportunity to backfill posts during the upgrade of the current databases (Lalpac and M3) used by Community Safety and Health Services to the IDOX Uniform system	12.0			
Environmental Health	Following the upgrade of the Computer Systems used by Community Safety and Health Services, additional one - off funds are required for user training during 2015/16	16.0			
Housing					
Housing Options	Loss of specific grant income for Homelessness.	50.0			
CUSTOMER AND COMMUNITY SERVICES					
Environmental Services					
Parks and Open Spaces	Additional playground inspection and maintenance costs resulting from the capital scheme for Open space improvements at Bishop's Park. This includes installation of a car park, footpath improvements & health/play facilities		1.8		
Parks and Open Spaces	Additional inspection and maintenance costs resulting from the capital scheme to install a new fitness and play facility for older children and open space access improvements at the Bourne, Ware		1.8		
Parks and Open Spaces	Additional inspection and maintenance costs resulting from the capital scheme to install a new play area at Grange Paddocks to encourage health activity for younger children and an activity zone for older children and adults		1.8		
Parks and Open Spaces	One -Off expense required to fund urgent Tree Safety work. The Tree inspection programme involves a health and safety assessment of trees on Council owned land. In 2014/15 a much higher proportion of trees were identified as needing essential maintenance therefore funds requested to tackle the immediate backlog	90.0			
Information, Customer and Parking Services					
Digital Media and Information Management	Additional ongoing Licence fees as a result of the capital scheme for the purchase of updated filming equipment to provide efficient and high quality video production services within the council	1.9			
Car Parks	As a result of the continued growth of RingGo (car park pay by phone service) there are additional costs to the Council as it funds the service so that is free to use for the motorist	16.0	16.0		
Residents Parking	One off cost (spread over two years) to fund set up costs associated with the introduction of a new residents permit parking scheme in the Southmill area of Bishop's Stortford	30.0			
FINANCE & SUPPORT SERVICES					
Governance and Risk Management					
Document Management	Growth due to costs for franking machine lease and maintenance charges. These were previously charged to the Print budgets which are now part of the IT Shared Service	10.0			
Facilities Management	Funding required to cover the costs associated with the production of CAD drawings for major buildings and buildings surveys. This covers condition surveys, access audits, glazing compliance and TM44 assessments	30.0			
Exchequer Services	One - Off funds required in 2015/16 only to purchase a new supply of controlled stationery (cheques)	3.0			

REVENUE BUDGET GROWTH PROPOSALS

	Description	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s
Legal & Democratic Services					
Corporate and Democratic Core	One off additional monies required in 2015/16 for the Property Unit Trust entry fees	63.0			
Legal Services	Reduced income compared to the 2014/15 original estimate is anticipated. Income from Section 106 obligations was overly optimistic.	25.0			
Business and Technology Services					
IT	Growth in IT Licence costs as a result of new IT systems agreed in past years Capital Programmes	10.0			
IT	Following the establishment of the IT Shared Service with Stevenage, staff are entitled to disturbance payments for the extra time and mileage for travelling to Stevenage for a limited period of time	2.5	2.7	1.2	
Revenues and Benefits					
Revenues and Benefits	Additional monies required to top up the Housing Benefit Overpayments bad debt provision. This represent the amount of Housing Benefit overpayment debtors raised which are subsequently deemed uncollectable and are written off.	150.0			
Revenues and Benefits	New growth requested to support the newly agreed Anti-Fraud Shared Service for Hertfordshire which will provide a robust and resilient fraud prevention, detection and investigation service. Final figures not yet finalised but assume maximum of £80k	80.0			
Total New Growth		654.4	24.1	1.2	0.0
GROWTH OVER £5K ALREADY AGREED AND BUILT INTO SERVICE ESTIMATES					
NEIGHBOURHOOD SERVICES					
Housing					
Housing	The full year additional cost resulting from the regrading of Head of Housing post	23.0			
Planning and Building Control					
Development Management Section	Costs of extending the Principal Planning Officer's contract until December 2016	35.6			
Customer and Community Services					
Business Development	Costs arising from the creation of a new head of Service post following SMG restructure	67.4			
Communications, Engagement and Cultural Services					
Hertford Theatre	Increased costs associated with increased level of business at the Theatre for the Pantomime, cinema and promotional expenditure. This is more than matched by additional income in these areas. (shown on the savings list)	25.0			
Economic Development					
Markets	Loss of Income from the markets as a consequence of trends in retail in town centre shopping habits. There is a tendency for internet shopping and use of out of town shopping centres.	23.8			
FINANCE & SUPPORT SERVICES					
Strategic Finance					
Strategic Finance	Additional costs as a result of the increase in hours for the Head of Service post following the recent SMG restructure	13.8			
Human Resources and Organisational Development					
Asset Management	Additional costs for the new Apprentice Post in the Asset Management service	17.2			
Governance and Risk Management					
Procurement	Additional costs have arisen as a result of the decision to employ a full time Procurement Manager rather than share one with North Herts	12.6			
Governance and Risk Management	As a result of regrading the Head of Service post following SMG restructure additional funds are required	18.4			
Growth already built into the Estimates		236.8	0.0	0.0	0.0

REVENUE BUDGET SAVINGS PROPOSALS

	Description	2015/16 £	2016/17 £	2017/18 £	2018/19 £
NEW SAVINGS					
NEIGHBOURHOOD SERVICES					
Community Safety and Health					
	Revenue savings of the Land Management capital scheme, saving in survey costs	(3)			
Private Sector Housing	Additional income received from the repayment of Decent Home and Disabled Facilities grants in accordance with the grant conditions. Based on the average amount received over recent years	(19)			
Planning and Building Control					
Planning and Building Control	Savings in Planning and Building Control staff salaries (£34k Planning Admin and £61k Building Control) may be achievable as a result of the introduction of new software support for the service. Replacement software has now been purchased and is due for implementation during 2014/15. It is anticipated that full implementation and the introduction of more efficient work practices as a result will not be achieved until 2016/17		(95)		
Building Control	£50k savings are dependent on the implementation of a cross county collaborative working arrangement. Draft Business plan was produced November 2014 which is required to be endorsed by the Council before set up dates can be established. Now likely to be during 15/16 with any possible savings being achieved in 16/17		(50)		
CUSTOMER AND COMMUNITY SERVICES					
Environmental Services					
Customer and Community Admin	Small saving resulting from the underspend review process in Training and Development budget no longer required	(1)			
Leisure	Revenue savings resulting from the capital scheme to refurbish Hartham Pavilion. This will redevelop existing areas and create new spaces. The revenue savings will be achieved through reducing the cost of maintenance of existing public conveniences	(7)	(7)		
Public Conveniences	As a result of the capital scheme to modernise the public toilets in Bell St Sawbridgeworth, Sawbridgeworth Town Council are prepared to take over the running of them. This will result in an ongoing saving to EHC who will no longer need to open/ close, clean and maintain them	(6)			
Communications, Engagement and Cultural Services					
Hertford Theatre	Anticipated savings at Hertford Theatre in line with the new Business Plan	(14)	(9)		

REVENUE BUDGET SAVINGS PROPOSALS

	Description	2015/16 £	2016/17 £	2017/18 £	2018/19 £
FINANCE AND SUPPORT SERVICES					
Legal and Democratic Services					
Legal Services	A reduction in Legal third party payments budget. Used to engage external legal support to meet largely undefined ad hoc corporate legal requirements	(8)			
Corporate and Democratic Core	Saving resulting from the fact that Provision for Sundry Debtor bad debts is not required at such a high level	(40)			
Corporate and Democratic Core	As a result of the recent re-tendering of the Banking Contract there is a saving in costs. New contract due to start 1 April 2015	(9)			
Business & Technology Services					
IT	A saving will result in the annual IT licensing costs as a result of the upgrade from Lalpac and M3 systems to the IDOX Uniform system in Community Safety and Health Services		(13)		
Total New Savings		(107)	(174)	0	0
SAVINGS over £5k ALREADY AGREED AND BUILT INTO THE SERVICE ESTIMATES					
All Services	As a result of the underspend review undertaken earlier this year, savings across the Council in telephone and car expenses budgets can be made based on previous levels of expenditure	(44)			
NEIGHBOURHOOD SERVICES					
Community Safety and Health	As a result of the budget challenge and underspend review process, a number of supplies and services budgets were identified as being too high. These have been reduced resulting in an overall saving of £40k in the	(40)			
Planning and Building Control					
Planning and Building Control	As a result of the underspend review process, various supplies and services budgets across the service were identified as excessive. A number of budgets have been reduced resulting in a £11,270 saving	(11)			
Development Management	An increase in Development Management workload has resulted in additional income being generated across a number of income areas	(250)			
Building Control Applications	Income from a new partnership which commenced in October 2014 with Safestyle UK. East Herts is undertaking plan checking for works across England and receiving income from other local authorities in return	(100)			

REVENUE BUDGET SAVINGS PROPOSALS

	Description	2015/16 £	2016/17 £	2017/18 £	2018/19 £
CUSTOMER AND COMMUNITY SERVICES					
Environmental Services	As a result of the underspend review process, various supplies and services budgets across the service were identified as excessive compared to the level of actual expenditure incurred. A number of budgets have therefore been reduced resulting in a £7,390 saving	(7)			
Parks and Open Spaces	As a result of negotiations to extend the Grounds Maintenance contract by two years, with effect from June 2014 the contractor has reduced the cost by £50k per annum	(37)			
Information, Customer and Parking Services					
Information, Customer and Parking Services	As a result of the underspend review and estimate process, a number of Supplies and Services budgets across the service have been reduced in line with actual expenditure levels. This has resulted in a saving of £8,450	(8)			
Car Parks	A review of the level of contingency built into the car parking enforcement contract, has resulted in the budget being reduced in line with anticipated expenditure	(85)			
Car Parks	There is a new supplier for printing of Pay and Display tickets which has resulted in a saving against this budget of £9,100	(9)			
Car Parks	Bishop's Stortford car park Season tickets, uptake in demand generating additional income	(5)			
Car Parks	Following retendering of the Car washing contract at Jackson Square car park, increased income expectation	(8)			
Resident Parking	Anticipated additional income from sales of residents parking permits across the district. Also additional income from the proposed new Residents Parking scheme in the Southmill area of Bishop's Stortford and the extension to the Newtown Residents Parking scheme	(42)			
Communications, Engagement and Cultural Services					
Communications	As a result of the permanent increase in Communication Officer hours to 30 pw and reduction in Manager hours this has resulted in a saving of £6,100	(6)			
Hertford Theatre	Additional income has resulted from increased levels of business (matched in part by additional costs shown on the growth list)	(29)			
FINANCE AND SUPPORT SERVICES					
Human Resources and Organisational Development					
Council Offices - Wallfields	As a result of the underspend review process the utility budgets at the Council Offices in Hertford have been reduced in line with actual levels of expenditure	(12)			
Asset Management	As a result of various rent reviews and new leases with Misc properties, additional rental income has been generated	(14)			
Governance and Risk Management					

REVENUE BUDGET SAVINGS PROPOSALS

	Description	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Legal and Democratic Services	As a result of the underspend review process, a number of expenditure budgets have been reduced in line with actual expenditure levels and income budgets increased to reflect actual levels of income	(34)			
Revenues and Benefits					
Revs and Bens Shared Services	As a result of the underspend review process, Printing and Stationery budgets have been reduced in line with actual expenditure levels	(9)			
Total Savings already built into the Estimates		(750)	0	0	0
Overall Savings Total		(857)	(174)	0	0

EAST HERTFORDSHIRE DISTRICT COUNCIL

SCHEDULE OF CHARGES

The fees and charges shown overleaf are for 2015/16

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Environmental Health Licences					
406.00 + vet fees	n/a + VAT	Riding Establishments	per annum	417.00 + vet fees	n/a + VAT
1,957.00 + vet fees	n/a + VAT	Zoos - New Licence	per 4 year registration	2,006.00 + vet fees	n/a + VAT
1,513.00 + vet fees	n/a + VAT	Zoos - Year 6 renewal licence inspection	per 6 years	1,551.00 + vet fees	n/a + VAT
660.00 + vet fees	n/a + VAT	Zoos - Transfer of Licence	per transfer	677.00 + vet fees	n/a + VAT
880.00 + vet fees	n/a + VAT	Zoos - Year 3 interim licence inspection inspection		902.00 + vet fees	n/a + VAT
555.00 + vet fees	n/a + VAT	Dangerous Wild Animals	per annum	569.00 + vet fees	n/a + VAT
240.00 + vet fees	n/a + VAT	Dog breeding establishments	per annum	246.00 + vet fees	n/a + VAT
240.00 + vet fees	n/a + VAT	Animal boarding establishments	per annum	246.00 + vet fees	n/a + VAT
113.00 + vet fees	n/a + VAT	Home boarding establishments	per annum	116.00 + vet fees	n/a + VAT
196.00 + vet fees	n/a + VAT	Pet Shops	per annum	201.00 + vet fees	n/a + VAT
192.00	n/a	Registration for Skin Piercing (Static / Home Business)	per business	197.00	n/a
121.00	n/a	Registration for Skin Piercing (Person)	per person or premises change	125.00	n/a
192.00	n/a	Registration for Peripatetic Skin Piercing (includes one operator)	per business	197.00	n/a
121.00	n/a	Update to an existing skin piercing registration (Business)	per update	125.00	n/a
57.00	n/a	Street trading Occasional Registered Charity (up to one month)	per month	59.00	n/a
111.00	n/a	Street trading Occasional (up to one month)	per month	114.00	n/a

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Environmental Health Licences (contd)					
321.00	n/a	Street trading Peripatatic (eg ice cream van)	per annum	330.00	n/a
326.00	n/a	Street trading Static (eg burger van)	per annum	335.00	n/a
22.00	n/a	Additional Licence fee for second reminder letter	per letter	23.00	n/a
49.00	n/a	Additional Licence fee for chasing applications after the expiry of current licence	per licence	51.00	n/a
Training Courses					
65.00	n/a	Level 2 Food Safety Training	per person,per course	67.00	n/a
65.00	n/a	Level 2 Health & Safety Training	per person,per course	67.00	n/a
41.00	n/a	Level 2 Food Safety Refresher Training	per person,per course	43.00	n/a
41.00	n/a	Level 2 Health & Safety Refresher Training	per person,per course	43.00	n/a
620.00	n/a	Level 2 Food Hygiene Training (up to 14 places at customer's premises)	per course	636.00	n/a
380.00	n/a	Level 2 Food Hygiene Refresher Training (up to 14 places at customer's premises)	per course	390.00	n/a
100% of fee paid		Cancellation Fee (less than 10 working days before course)	per person,per course	100% of fee paid	

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Miscellaneous Fees & Charges					
13.00	n/a	Food register	per single entry	14.00	n/a
26.00	n/a	Food register	per category	27.00	n/a
77.00	n/a	Food register	per full copy	79.00	n/a
62.00	n/a	Air quality data enquiries	per hour or part	64.00	n/a
62.00	n/a	Additional Land charge enquiries	per hour or part	64.00	n/a
49.00 + disposal costs	n/a + VAT	Issue of certificate following surrender of food	per hour or part	51.00 + disposal costs	n/a + VAT
49.00	n/a	Food export health certificate	per hour or part	51.00	n/a
37.00	44.40	Replacement 'Scores on Doors' certificate	each	38.00	45.60
49.00	58.80	Replacement of any environmental health licence or registration documents	each	51.00	61.20
49.00	58.80	Statement of fact for civil cases	per hour	51.00	61.20
110.00	132.00	Standards inspection for immigration	per inspection	113.00	135.60
330.00	396.00	Housing Notices	fixed charge	339.00	406.80
-	-	Fixed penalty for failure to belong to an approved redress scheme		5,000.00	n/a
37.00	44.40	Letter confirming food premises registration	per letter	38.00	45.60
49.00	58.80	Attendance at Exhumations	per hour (or part)	51.00	61.20

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Private Water Supplies					
331.00	n/a	Risk Assessment (smaller supplies - Regulation 10)	per assessment	up to £500	n/a
432.00	n/a	Risk Assessment (larger supplies - Regulation 9)	per assessment	up to £500	n/a
111.00	n/a	Risk Assessment (Desktop)	per assessment	up to £500	n/a
83.33	100.00	Sampling Visit	per visit	83.33	100.00
+ analysis costs				+ analysis costs	
83.33	100.00	Investigation	per investigation	83.33	100.00
+ analysis costs				+ analysis costs	
100.00	n/a	Granting of Authorisation	per authorisation	100.00	n/a
up to £25	n/a	Analysis Costs (Regulation 10)	per set of samples	up to £25	n/a
up to £100	n/a	Analysis Costs (Check Monitoring)	per set of samples	up to £100	n/a
up to £500	n/a	Analysis Costs (Audit Monitoring)	per set of samples	up to £500	n/a
HMO Licensing Fees					
785.00	n/a	Licence for a HMO with no more than 5 bedrooms (initiated by applicant without LA intervention)		805.00	n/a
1,064.00	n/a	Licence for a HMO with no more than 5 bedrooms (initiated by applicant with LA intervention)		1,091.00	n/a
14.00	n/a	Additional bedrooms	each	15.00	n/a
49.00	n/a	Production of drawings		51.00	n/a
100.00	n/a	BACS refund on full licence fee for receipt of complete valid application within 21 days without further Council intervention		100.00	n/a
118.00	n/a	Variation of licence		121.00	n/a

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
HMO Licensing Fees					
55.00	n/a	Fee reduction for additional HMO's with same applicant / landlord		55.00	n/a
653.00	n/a	Renewal of HMO Licence		670.00	n/a
100.00	n/a	BACS refund for receipt of complete valid renewal applications at least 3 months before current licence expires		100.00	n/a
77.00	n/a	Confirmation of empty home status for VAT reduction		79.00	n/a
Miscellaneous Engineering Fees					
free		Street parties (non-commercial)		free	
27.00	n/a	Sewer Records/Plans	per item	28.00	n/a
OTHER LICENCES					
4,950.00	n/a	Sex Establishments	per annum	4,950.00	n/a
4,950.00	n/a		per renewal	4,950.00	n/a
910.00	n/a		transfer	910.00	n/a
Hypnotism Act 1952:-					
140.00	n/a	Occasional licensed premises		140.00	n/a
540.00	n/a	Occasional unlicensed premises		540.00	n/a
Scrap Metal Site Licence -					
246.00	n/a	Grant	per licence	246.00	n/a
182.70	n/a	Renewal	per licence	182.70	n/a
43.50	n/a	Variation, Name Change, Change of Site	per change	43.50	n/a
Scrap Metal Collectors Licence					
222.50	n/a	Grant	per licence	222.50	n/a
159.20	n/a	Renewal	per licence	159.20	n/a
43.50	n/a	Variation, Name Change	per change	43.50	n/a

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
TAXI LICENSING					
274.00	n/a	Hackney Carriage Vehicle/Proprietor (renewal)	per licence	274.00	n/a
308.00	n/a	Hackney Carriage Vehicle/Proprietor (new vehicle)	per licence	308.00	n/a
274.00	n/a	Private Hire Vehicle / Proprietor Licence (renewal)	per licence	274.00	n/a
308.00	n/a	Private Hire Vehicle / Proprietor Licence (grant)	per licence	308.00	n/a
106.00	n/a	Private Hire drivers licence (renewal)	per licence	106.00	n/a
211.00	n/a	Private Hire drivers licence (grant)		211.00	n/a
-	-	Hackney Carriage Vehicle/Proprietor (renewal) where able to transport a person whilst remaining in a wheelchair	first year	100% discount	
-	-		Subsequent	50% discount	
Private Hire Business Operator					
218.00	n/a	- up to 6 vehicles	per licence	218.00	n/a
30.00	n/a	- additional vehicles	per vehicle	30.00	n/a
106.00	n/a	Dual Driver (Hackney/Private Hire) (renewal)	-	106.00	n/a
211.00	n/a	Dual Driver (Hackney/Private Hire) (Grant)		211.00	n/a
78.00	n/a	Change of vehicle	-	78.00	n/a
211.00	n/a	Initial Application for a drivers licence (reimbursed on grant of application)		211.00	n/a
Change of Licence Details					
45.00	n/a	Change of Vehicle DVLA registration number		45.00	n/a
45.00	n/a	Change of Vehicle licence designation - Hackney to Private		45.00	n/a
85.00	n/a	- Private to Hackney		85.00	n/a
45.00	n/a	Change of vehicle proprietor with unexpired licence		45.00	n/a
45.00	n/a	Convert drivers licence to dual driver		45.00	n/a
Ancillary Charges					
91.00	n/a	Knowledge Test	per test	91.00	n/a
Ancillary Items					
68.33	82.00	Roof light (complete)		68.33	82.00
36.67	44.00	Roof light (cover or base plate separate)		36.67	44.00
15.83	19.00	Charge for unusable/damaged returned roof light to be discounted from any refund		15.83	19.00
22.50	27.00	Replacement badge		22.50	27.00
36.67	44.00	Replacement plate/trailer plate		36.67	44.00

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
TAXI LICENSING (cont.)					
Ancillary Items					
2.08	2.50	Roof light bulb		2.08	2.50
6.67	8.00	Magnets (sold as pair)		6.67	8.00
10.83	13.00	Executive Private Hire Disc		10.83	13.00
Free		Table of fares/windscreen badge		Free	
28.33	34.00	Distribution of free literature		28.33	34.00
PREMISES LICENCES					
Application for premises, club premises certificate, variations (excluding change of name and address or designated premises supervisor) conversion/variation					
100.00	n/a	Band A - rateable value £0-£4,300	Statutory Fee	100.00	n/a
190.00	n/a	Band B - rateable value £4,301-33,000	Statutory Fee	190.00	n/a
315.00	n/a	Band C - rateable value £33,001-£87,000	Statutory Fee	315.00	n/a
450.00	n/a	Band D - rateable value £87,001-£125,000	Statutory Fee	450.00	n/a
635.00	n/a	Band E - rateable value £125,000 and over	Statutory Fee	635.00	n/a
PREMISES LICENCES (Annual charge)					
(Holders of premises licences and club premises certificate)					
70.00	n/a	Band A - rateable value £0-£4,300	Statutory Fee	70.00	n/a
180.00	n/a	Band B - rateable value £4,301-33,000	Statutory Fee	180.00	n/a
295.00	n/a	Band C - rateable value £33,001-£87,000	Statutory Fee	295.00	n/a
320.00	n/a	Band D - rateable value £87,001-£125,000	Statutory Fee	320.00	n/a
350.00	n/a	Band E - rateable value £125,000 and over	Statutory Fee	350.00	n/a
37.00	n/a	PERSONAL LICENCE		37.00	n/a

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
OTHER FEES AND CHARGES					
Supply of copies of information contained in register:-					
0.10	0.12	Photocopying (black & white)	A4 sheet	0.10	0.12
0.20	0.24		A3 sheet	0.20	0.24
1.10	1.32		A0 sheet	1.10	1.32
0.20	0.24	Photocopying (colour)	A4 sheet	0.20	0.24
0.50	0.60		A3 sheet	0.50	0.60
1.70	2.04		A0 sheet	1.70	2.04
10.50	n/a	Application for copy of licence or summary on theft, loss etc of premises licence or summary	Statutory Fee	10.50	n/a
10.50	n/a	Notification of change of name or address (holder of premises licence)	Statutory Fee	10.50	n/a
23.00	n/a	Application to vary or to specify individual as premises supervisor	Statutory Fee	23.00	n/a
23.00	n/a	Application to transfer premises licence	Statutory Fee	23.00	n/a
23.00	n/a	Interim authority notice	Statutory Fee	23.00	n/a
315.00	n/a	Application for making of a provisional statement	Statutory Fee	315.00	n/a
10.50	n/a	Application for copy of certificate or summary on theft, loss etc of certificate or summary	Statutory Fee	10.50	n/a
10.50	n/a	Notification of change of name or alteration of club rules	Statutory Fee	10.50	n/a
10.50	n/a	Change of relevant registration address of club	Statutory Fee	10.50	n/a
21.00	n/a	Temporary event notice	Statutory Fee	21.00	n/a
10.50	n/a	Application of copy of notice on theft, loss etc of temporary event notice	Statutory Fee	10.50	n/a
10.50	n/a	Application of copy of licence on theft, loss etc of personal licence	Statutory Fee	10.50	n/a
10.50	n/a	Notification of change of name or address (personal licence)	Statutory Fee	10.50	n/a
21.00	n/a	Notice of interest in any premises	Statutory Fee	21.00	n/a

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Gambling Act 2005					
2,677.50	n/a	Bingo Premises	Licence	2,677.50	n/a
1,339.00	n/a		Variation	1,339.00	n/a
918.00	n/a		Transfer	918.00	n/a
765.00	n/a		Annual Fee	765.00	n/a
1,530.00	n/a	Adult Gaming Centre Premises	Licence	1,530.00	n/a
765.00	n/a		Variation	765.00	n/a
918.00	n/a		Transfer	918.00	n/a
765.00	n/a		Annual Fee	765.00	n/a
1,913.00	n/a	Betting Premises (Track)	Licence	1,913.00	n/a
957.00	n/a		Variation	957.00	n/a
727.00	n/a		Transfer	727.00	n/a
765.00	n/a		Annual Fee	765.00	n/a
2,300.00	n/a	Betting Premises (Other)	Licence	2,300.00	n/a
1,148.00	n/a		Variation	1,148.00	n/a
918.00	n/a		Transfer	918.00	n/a
300.00	n/a		Annual Fee	300.00	n/a
1,530.00	n/a	Family Entertainment Centre Premises	Licence	1,530.00	n/a
765.00	n/a		Variation	765.00	n/a
727.00	n/a		Transfer	727.00	n/a
574.00	n/a		Annual Fee	574.00	n/a
500.00	n/a	Temporary Use Notices	Fee	500.00	n/a
25.00	n/a		Copy	25.00	n/a
50.00	n/a	Gaming Machine Permit (Up to 2 machines)	# 10 years	50.00	n/a
100.00	n/a	Club Gaming Machine Permit (Up to 3 machines)	# 5 Years	100.00	n/a
50.00	n/a	Club Gaming Machine Permit	# Annual Fee	50.00	n/a
40.00	n/a	Small Lotteries	Initial Fee	40.00	n/a
20.00	n/a		# Renewal	20.00	n/a

Fixed by Statute

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Misc Building Control and Development Management Charges					
0.10	n/a	Copies of any documents - A4 size - Black & White	per page	0.10	n/a
0.20	n/a	- Colour	per page	0.20	n/a
0.20	n/a	Copies of any documents - A3 size - Black & White	per page	0.20	n/a
0.40	n/a	- Colour	per page	0.40	n/a
1.00	n/a	Copies of any documents - A2 size - Black & White	per page	1.00	n/a
2.00	n/a	- Colour	per page	2.00	n/a
1.50	n/a	Copies of any documents - A1 size - Black & White	per page	1.50	n/a
3.00	n/a	- Colour	per page	3.00	n/a
2.00	n/a	Copies of any documents - A0 size - Black & White	per page	2.00	n/a
4.00	n/a	- Colour	per page	4.00	n/a
15.50	n/a	Copies of documents provided on an electronic disc	per disc provided	15.50	n/a
25.00	n/a	Ordnance Survey Extracts	up to 6 copies	-	-
77.00	n/a	Historical Research (where records available)	per hour (or part)	79.00	n/a
310.00	n/a	Legal obligation agreements - clause monitoring fee	per obligation issue	318.00	n/a
77.00	n/a	Legal obligation agreements - confirmation of compliance by third parties or where the monitoring fee has not been paid	per hour (or part of) after first hour	79.00	n/a
35.00	n/a	Certificate of no outstanding Building control regulated work or letter of comfort	per certificate / letter	35.00	n/a
35.00	n/a	Letter confirming exemption from Building Control regulations	per letter	35.00	n/a
50.00	n/a	Rejuvenation of closed Building Control file (not previously approved)	per file	50.00	n/a
515.00	n/a	High Hedge consultation and investigation		528.00	n/a

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
28.00	n/a	Fee for discharge of or compliance with a condition	per request (any number of conditions) relating to works of extension or alteration to an existing dwelling	28.00	n/a
97.00	n/a	Fee for discharge of or compliance with a condition	per request (any number of conditions)	97.00	n/a
4.60	n/a	Retrieval of externally stored microfilmed records	per microfilmed record	4.70	n/a
PRE-APPLICATION ADVICE					
Householder proposals					
25.00	30.00		Initial fee	25.00	30.00
12.50	15.00		Secondary fee	12.50	15.00
41.60	55.00	Request for informal confirmation that proposed development comprises 'permitted development'. (Not Lawful Development Certificate)	Initial fee	41.60	55.00
20.83	25.00		Secondary fee	20.83	25.00
Major development proposals					
833.33	1,000.00	Largescale Major Development Proposals	Initial fee	854.17	1025.00
416.67	500.00		Secondary fee	427.08	512.50
600.00	720.00	Smallscale Major Development Proposals	Initial fee	615.00	738.00
300.00	360.00		Secondary fee	307.50	369.00
Minor development proposals					
250.00	300.00	Minor Development (single new or replacement dwellings and other development of less than 50sqm floorspace)	Initial fee	256.66	308.00
125.00	150.00		Secondary fee	128.33	154.00
341.67	410.00	Minor Development (all other minor development)	Initial fee	350.00	420.00
170.83	205.00		Secondary fee	175.00	250.00

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
PRE-APPLICATION ADVICE					
Any development where affordable housing is required by virtue of the Councils planning policies and is to be provided					
87.50	105.00		Initial fee	90.00	108.00
Other Development					
87.50	105.00		Initial fee	90.00	108.00
43.75	52.50		Secondary fee	45.00	54.00
Advertisement proposals					
41.67	50.00		Initial fee	42.50	51.00
20.83	25.00		Secondary fee	21.25	25.50
Heritage advice					
41.67	50.00		Initial fee	42.50	51.00
20.83	25.00		Secondary fee	21.25	25.50

NEIGHBOURHOOD SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
HOSTELS					
Hillcrest					
195.00	n/a	Single Room	per week	195.00	n/a
+ service charges				+ service charges	
220.00	n/a	Double Room	per week	220.00	n/a
+ service charges				+ service charges	
230.00	n/a	Family Room	per week	230.00	n/a
+ service charges				+ service charges	
Bed & Breakfast					
97.65	n/a	Single person	per week	100.10	n/a
13.95	n/a		per day	14.30	n/a
129.50	n/a	Single person and one child	per week	132.72	n/a
18.50	n/a		per day	18.96	n/a
140.70	n/a	Single person and two children	per week	144.20	n/a
20.10	n/a		per day	20.60	n/a
129.50	n/a	Couple	per week	132.72	n/a
18.50	n/a		per day	18.96	n/a
151.90	n/a	Couple and one child	per week	155.68	n/a
21.70	n/a		per day	22.24	n/a
164.15	n/a	Couple and two children	per week	168.28	n/a
23.45	n/a		per day	24.04	n/a
13.30	n/a	Additional children up to 16	per week	13.65	n/a
1.90	n/a		per day	1.95	n/a

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
HIRE CHARGES FOR HERTFORD THEATRE					
WEEKDAYS					
Auditorium					
256.00	n/a		am (9am to 1pm)	256.00	n/a
64.00	n/a		am per hour	64.00	n/a
395.00	n/a		pm (1pm to 6pm)	395.00	n/a
79.00	n/a		pm per hour	79.00	n/a
534.00	n/a		Evening (6pm to midnight)	534.00	n/a
89.00	n/a		Evening per hour	89.00	n/a
551.00	n/a		9am-6pm (discounted rate)	551.00	n/a
779.00	n/a		1pm-midnight (discounted rate)	779.00	n/a
985.00	n/a		9am-midnight (discounted rate)	985.00	n/a
Studio					
88.00	n/a		am (9am to 1pm)	88.00	n/a
22.00	n/a		am per hour	22.00	n/a
135.00	n/a		pm (1pm to 6pm)	135.00	n/a
27.00	n/a		pm per hour	27.00	n/a
162.00	n/a		Evening (6pm to midnight)	162.00	n/a
37.00	n/a		Evening per hour	37.00	n/a
193.00	n/a		9am-6pm (discounted rate)	193.00	n/a
307.00	n/a		1pm-midnight (discounted rate)	307.00	n/a
375.00	n/a		9am-midnight (discounted rate)	375.00	n/a
River Room					
88.00	n/a		am (9am to 1pm)	88.00	n/a
22.00	n/a		am per hour	22.00	n/a
135.00	n/a		pm (1pm to 6pm)	135.00	n/a
27.00	n/a		pm per hour	27.00	n/a
162.00	n/a		Evening (6pm to midnight)	162.00	n/a
37.00	n/a		Evening per hour	37.00	n/a
193.00	n/a		9am-6pm (discounted rate)	193.00	n/a
307.00	n/a		1pm-midnight (discounted rate)	307.00	n/a
375.00	n/a		9am-midnight (discounted rate)	375.00	n/a
Foyer					
88.00	n/a		am (9am to 1pm)	88.00	n/a
22.00	n/a		am per hour	22.00	n/a
135.00	n/a		pm (1pm to 6pm)	135.00	n/a
27.00	n/a		pm per hour	27.00	n/a
162.00	n/a		Evening (6pm to midnight)	162.00	n/a
37.00	n/a		Evening per hour	37.00	n/a

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
HIRE CHARGES FOR HERTFORD THEATRE					
WEEKENDS AND BANK HOLIDAYS					
316.00	n/a	Auditorium	am (9am to 1pm)	316.00	n/a
79.00	n/a		am per hour	79.00	n/a
445.00	n/a		pm (1pm to 6pm)	445.00	n/a
89.00	n/a		pm per hour	89.00	n/a
750.00	n/a		Evening (6pm to midnight)	750.00	n/a
125.00	n/a		Evening per hour	125.00	n/a
661.00	n/a		9am-6pm (discounted rate)	661.00	n/a
1,072.00	n/a		1pm-midnight (discounted rate)	1,072.00	n/a
1,311.00	n/a		9am-midnight (discounted rate)	1,311.00	n/a
136.00	n/a	Studio	am (9am to 1pm)	136.00	n/a
34.00	n/a		am per hour	34.00	n/a
185.00	n/a		pm (1pm to 6pm)	185.00	n/a
37.00	n/a		pm per hour	37.00	n/a
282.00	n/a		Evening (6pm to midnight)	282.00	n/a
47.00	n/a		Evening per hour	47.00	n/a
291.00	n/a		9am-6pm (discounted rate)	291.00	n/a
417.00	n/a		1pm-midnight (discounted rate)	417.00	n/a
533.00	n/a		9am-midnight (discounted rate)	533.00	n/a
136.00	n/a	River Room	am (9am to 1pm)	136.00	n/a
34.00	n/a		am per hour	34.00	n/a
185.00	n/a		pm (1pm to 6pm)	185.00	n/a
37.00	n/a		pm per hour	37.00	n/a
282.00	n/a		Evening (6pm to midnight)	282.00	n/a
47.00	n/a		Evening per hour	47.00	n/a
291.00	n/a		9am-6pm (discounted rate)	291.00	n/a
417.00	n/a		1pm-midnight (discounted rate)	417.00	n/a
533.00	n/a		9am-midnight (discounted rate)	533.00	n/a
136.00	n/a	Foyer	am (9am to 1pm)	136.00	n/a
34.00	n/a		am per hour	34.00	n/a
185.00	n/a		pm (1pm to 6pm)	185.00	n/a
37.00	n/a		pm per hour	37.00	n/a
282.00	n/a		Evening (6pm to midnight)	282.00	n/a
47.00	n/a		Evening per hour	47.00	n/a
WEEKLY					
5,275.00	n/a	Auditorium	Mon - Sunday (amateur)	5,275.00	n/a
6,600.00	n/a		Mon - Sunday (professional)	6,600.00	n/a
2,100.00	n/a	Studio	Mon - Sunday	2,100.00	n/a
2,600.00	n/a	River Room	Mon - Sunday	2,600.00	n/a

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
HIRE CHARGES FOR HERTFORD THEATRE					
EQUIPMENT HIRE PRICES					
Pianos					
130.00	156.00	Concert Grand Piano	per 3 hours	130.00	156.00
64.50	77.40	Piano Tuning		64.50	77.40
38.50	46.20	Electric Piano		38.50	46.20
Projection					
29.17	35.00	LCD Projector & Screen		29.17	35.00
Public Address System					
75.00	90.00	Portable PA Unit		75.00	90.00
13.33	16.00	Lapel Mic		13.33	16.00
15.83	19.00	Hand Radio Mic		15.83	19.00
Cinema Prices					
5.83	7.00	Adults		5.83	7.00
4.17	5.00	Concessions		4.17	5.00

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF	2015/16	
Exc. VAT £	Inc. VAT 20% £		CHARGE	Exc. VAT £	Inc. VAT 20% £
CAR PARKS					
Off Street Resident Season Ticket					
229.17	275.00	Port Vale		229.17	275.00
1,026.00	1,231.20	Crown Terrace		1,003.20	1,203.84
-	-	Baldock Street - Ware		800.83	961.00
Off Street Business Permit					
-	-	Charrington's House BS Long Stay		693.00	831.60
On Street Resident Season Ticket					
36.00	n/a	1st Permit		36.00	n/a
72.00	n/a	2nd Permit		72.00	n/a
-	-	3rd Permit	*	72.00	n/a
19.00	n/a	Motorcycle permit		19.00	n/a
21.00	n/a	Contractor permit	per week	21.00	n/a
315.00	n/a	Business permit	per annum	315.00	n/a
36.00	n/a	Carers/ Special permits	admin charge (discretionary)	36.00	n/a
0.10	n/a	Visitors Vouchers	per hour	0.10	n/a
0.05	n/a		per hour pensioners	0.05	n/a
15.00	n/a	Charge for Temporary Dispensation from Parking Restrictions		15.00	n/a
On Street Residents Parking Permits					
55.00	n/a	Folly Island - 2nd Permit		55.00	n/a
Penalty Charges issued under Regulation 9 of the General Regulations.					
Higher Level Penalty Charge					
35.00	n/a	Paid within 21 days		35.00	n/a
70.00	n/a	Paid after 21 days		70.00	n/a
105.00	n/a	Paid after service of charge certificate		105.00	n/a
Lower Level Penalty Charge					
25.00	n/a	Paid within 21 days		25.00	n/a
50.00	n/a	Paid after 21 days		50.00	n/a
75.00	n/a	Paid after service of charge certificate		75.00	n/a
Penalty Charges issued under Regulation 10 of the General Regulations.					
Higher Level Penalty Charge					
35.00	n/a	Paid within 21 days		35.00	n/a
70.00	n/a	Paid after 21 days		70.00	n/a
105.00	n/a	Paid after service of charge certificate		105.00	n/a

* Only available where possible in B1 (Stansted Rd, BS), B2 (Dunmow Rd, BS), B3 (Windhill BS), B7 Chantry BS), W2 (Coronation Rd Ware)

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
PARKING					
Penalty Charges issued under Regulation 10 of the General Regulations					
Lower Level Penalty Charge					
25.00	n/a	Paid within 21 days		25.00	n/a
50.00	n/a	Paid after 21 days		50.00	n/a
75.00	n/a	Paid after service of charge certificate		75.00	n/a
Bishop's Stortford market traders' tariff					
2.32	2.90	Link Road	Thurs & Sat	3.00	3.60
2.32	2.90	Northgate End	Thurs & Sat	3.00	3.60
2.32	2.90	Apton Road	Thurs & Sat	3.00	3.60
Old London Road - Hertford					
-	-	Market Traders	per day	3.00	3.60
12.50	15.00	Coach / Lorry tarriff	per visit	12.50	15.00
Priory Street - Ware					
-	-	Market Traders	per day	2.25	2.70

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
ANIMAL CONTROL					
25.00	n/a	Stray dog with ID chip	**	25.00	n/a
25.00	n/a	Stray dog without ID chip	set by statute	25.00	n/a
21.00	n/a	Stray dog collected	admin charge	22.00	n/a
15.00	n/a	Kennel Charges	per night	15.00	n/a
17.50	21.00	ID chipping dogs (Ind)	per dog	17.92	21.50
9.17	11.00	ID chipping dogs (Campaign)	per dog	9.38	11.25
33.33	40.00	Small dead animal removal	per animal	34.17	41.00
28.33	34.00	Assistance to third party organisations	per hour	29.00	35.80
28.33	34.00	Provision of dog waste bag	per box 5000	29.17	35.00
12.50	15.00	Dog Fouling Sign	per sign	12.75	15.30
** unless first offence and dog is collected the same day					
Allotments					
3.40	n/a	Allotments	(per year) per 25.3m ²	3.50	n/a
Outdoor Exercise Group Activities *					
1,200.00	n/a	Organisations - per site		1,230.00	n/a
450.00	n/a	Personal Trainers - per trainer		460.00	n/a

* Charges for personal trainers and organisations are levied to commercial organisations and individuals using EHC owned land for organised group activities where a charge is levied to participants either directly or through a membership scheme. These are ceiling prices and may be reduced at the discretion of the Head of Environmental Services for shorter time periods or where activities are undertaken in partnership with the Council in pursuit of corporate objectives relating to health and well being. These charges do not apply to the Council's own Leisure Services contractor.

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
REFUSE COLLECTION					
Commercial Refuse Collection					
72.50	87.00	Paid Collections	medium	74.50	89.40
150.00	180.00	"	large	154.00	184.80
(Plus HCC disposal costs)					
Mixed Heriditaments					
charged according to the proportion of trade waste collected					
Domestic Refuse Collection					
23.50	n/a	Bulky Waste Collection	1 Item	24.00	n/a
33.50	n/a	"	2 Items	34.00	n/a
44.50	n/a	"	3 Items	45.00	n/a
54.50	n/a	"	4 Items	55.00	n/a
65.00	n/a	Bulky Waste Collection - Load	small	67.00	n/a
94.50	n/a	"	medium	96.00	n/a
141.00	n/a	"	large	144.00	n/a
10.00	n/a	Bulky Collection Cancellation Fee	per collection	10.00	n/a
Commercial Events					
73.20	87.84	Cleansing / Refuse Collection	per hour	75.00	90.00
Cleansing Private Land					
23.00	27.60	Cleansing private land (Performance area - regular schedule)	per linear metre per annum	23.58	28.30
72.15	86.58	Ad - hoc litter picking	per hour	74.00	88.80
Abandoned Vehicles (end of life vehicles) surrendered and removed by LA					
40.00	47.00	Vehicle	per vehicle	41.00	49.20
61.90	71.00	Caravan	per caravan	63.50	86.20
Clinical Waste					
13.93	16.72	Charge per site	per visit (max 26)	14.18	17.02
8.15	9.78	Sharps containers	per container	8.29	9.95
4.90	5.88	Sacks - trade (infectious waste)	per sack	4.99	5.99
0.66	n/a	Sacks - domestic (infectious waste)	per sack	0.67	n/a
2.95	3.54	Sacks - trade (Offensive waste)	per sack	2.99	3.59
0.66	n/a	Sacks - domestic (Offensive waste)	per sack	0.67	n/a
25.00	n/a	Extra Sacks delivery charge	per occasion	25.00	n/a

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
REFUSE COLLECTION					
Graffiti Removal					
52.25	n/a	Cleaning graffiti on private land*	per sqm	53.50	n/a
31.50	n/a	Cleaning graffiti - small items (single tag)	per item	32.50	n/a
<p>*chemical cleaning only. Subject to damage waiver from land owner and site survey. Graffiti removal from private land is at the discretion of the Head of Environmental Services and will not be undertaken where there is a risk of damaging surfaces, traffic management requirements or significant health and safety implications. Individual charges may be waived at the discretion of the Head of Environmental Services as part of campaigns or in the interests of preventing or discouraging significant levels of crime and disorder.</p>					
COMMERCIAL WASTE					
Commercial Waste Collection Services					
85.00	n/a	sacks	per 50	87.00	n/a
381.50	n/a	240 litres	per bin p.a.	389.50	n/a
439.00	n/a	340 litres	per bin p.a.	448.50	n/a
746.00	n/a	660 litres	per bin p.a.	762.50	n/a
937.00	n/a	1,100 litres	per bin p.a.	960.00	n/a
Prescribed Waste Collection Service					
49.00	n/a	Sacks	per 50	50.00	n/a
290.50	n/a	240 litres	per bin p.a.	295.00	n/a
309.50	n/a	340 litres	per bin p.a.	315.00	n/a
520.00	n/a	660 litres	per bin p.a.	528.00	n/a
562.50	n/a	1,100 litres	per bin p.a.	571.50	n/a
Prescribed Waste for Educational Establishments					
49.00	n/a	Sacks	per 50	50.00	n/a
263.50	n/a	240 litres	per bin p.a.	268.00	n/a
295.00	n/a	340 litres	per bin p.a.	299.50	n/a
481.00	n/a	660 litres	per bin p.a.	489.00	n/a
520.00	n/a	1,100 litres	per bin p.a.	528.00	n/a
25.00	n/a	Bin removal & re-delivery charge following non-payment	per occasion	26.00	n/a
25.00	n/a	Extra sacks delivery charge	per occasion	26.00	n/a

- 1) Note: The above are 'ceiling' prices and subject to the discretion of the Head of Environmental Services
- 2) For these commercial waste collection services the minimum contract period is 3 months. A minimum of 3 months notice must be given by the customer to cancel the contract. In the event of the customer cancelling the contract or the Council terminating the contract for non-payment, no refund will be given for the service not supplied during the notice period

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
PEST CONTROL					
Commercial Premises					
60.50	72.60	Rats & Mice	per hour or part hour	62.00	74.40
-	-		each additional half hour	31.00	37.20
OR					
Contract service available					
49.50	59.40	Wasps	per annum	51.00	61.20
49.50	59.40	Ants	one nest job	51.00	61.20
17.25	20.70	Additional nests	per add. nest	17.50	21.00
60.00	72.00	Bed Bugs	per hour or part hour	61.50	73.80
60.00	72.00	Fleas	per hour or part hour	61.50	73.80
60.00	72.00	Cockroaches	per hour or part hour	61.50	73.80
60.00	72.00	Squirrels	per hour or part hour	61.50	73.80
60.00	72.00	Cluster Fly Infestation	per hour or part hour	61.50	73.80
60.00	72.00	Visit for Advice ONLY	per hour or part hour	61.50	73.80
price on application		Servicing of electronic fly killers	per annum	price on application	
price on application		Sale of electronic fly killers	per unit	price on application	
price subject to survey		Pigeon / Bird Proofing	per job	price subject to survey	
price subject to survey		Installation of air vent covers, proofing small holes	per job	price subject to survey	
price subject to survey		Installation of bristle strips	per job	price subject to survey	
price subject to survey		Supply and fit insect screens	per job	price subject to survey	
Domestic Premises *					
20.83	25.00	Rats	# call out charge	21.25	25.50
45.83	55.00	Mice	per job	47.08	56.50
41.67	50.00	Wasps	one nest job	41.67	50.00
45.83	55.00	Ants	one nest job	46.67	56.00
17.09	20.50	Additional nests	per add. nest	17.50	21.00
58.96	70.75	Cluster Fly Infestation	one job (up to 3 visits)	60.00	72.00
166.67	200.00	Bed Bugs	one job (up to 3 visits)	-	-
-	-	Bed Bugs - flat or house up to 3 bedrooms	one job (up to 3 visits)	170.83	205.00
-	-	Bed Bugs - per additional room	one job (up to 3 visits)	25.00	30.00
60.42	72.50	Bed Bugs	additional visits	61.67	74.00
77.50	93.00	Squirrels	per job	79.17	95.00
48.75	58.50	Fleas	per hour	50.00	60.00
48.75	58.50	Cockroaches	per hour	50.00	60.00
20.83	25.00	Visit for Advice ONLY	per half hour	21.25	25.50
60.42	72.50	Return Visit Charge (rats & mice)	per job	61.67	74.00

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
PEST CONTROL					
Domestic Premises *					
29.17	35.00	Additional charge for a smoke test in drain (rodents)	per occasion	33.33	40.00
price subject to survey		Installation of air vent covers, proofing small holes	per job	price subject to survey	
price subject to survey		Installation of bristle strips	per job	price subject to survey	

* Concession for residents in receipt of income related benefit - £15 per job, waived in cases of hardship at the discretion of the Head of Environmental Services

A call out charge of £25 per job will be levied irrespective of whether rats are found. A 'job' can include up to 3 visits included in the call out price. Customers in receipt of income related benefits will pay £15. This may be waived in cases of hardship at the discretion of the Head of Environmental Services. No charge is recoverable where rats are reported in public places.

Payment is to be made by card at the time of booking. Cash/cheque payments are only to be offered if resident is unable to pay by card. Payment at the time of treatment is to be discouraged. This is due to the high cost of handling cash and cheque payments.

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Markets - Hertford & Bishop's Stortford					
21.80	n/a	Standard pitch 3m x 2.1m (10' x 7')	per pitch	21.80	n/a
		Incentive for above (Bishop's Stortford only)	5 consecutive weeks - 5th week free		
26.00	n/a	Casual Trader pitch 3m x 2.1m (10' x 7')	per pitch	26.00	n/a
1.20	n/a	Additional space	per 0.3m (per sq ft)	1.20	n/a
Markets - Ware					
14.00	n/a	Standard pitch 3m x 2.1m (10' x 7')	per pitch	14.00	n/a
		Incentive for above	5 consecutive weeks - 5th week free		
15.60	n/a	Casual Trader pitch 3m x 2.1m (10' x 7')	per pitch	15.60	n/a
1.20	n/a	Additional space	per 0.3m (per sq ft)	1.20	n/a
10.90	n/a	Charity Stall - Any Market		10.90	n/a
3.00	n/a	Electricity Fee Charges	per stall per day	3.00	n/a
Market Licence					
32.10	n/a	Commercial - up to 10 stalls		32.90	n/a
53.55	n/a	Commercial - up to 11 - 30 stalls		54.89	n/a
111.45	n/a	Commercial - up to 31plus stalls		114.24	n/a
22.10	n/a	Charity		22.10	n/a
Farmers Markets					
23.00	n/a	Hertford (own stall)		23.00	n/a
27.00	n/a	Hertford (East Herts stall)		27.00	n/a
1,475.06	n/a	Jackson Square	per quarter	1,511.94	n/a

CUSTOMER & COMMUNITY SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
Freedom of Information Act 2000 / Environmental Information Regulations 2004 / Reuse of Public Sector Information Regulations 2005 / Data Protection Act 1998					
Freedom of Information / Data Protection					
		First 2.5 days free			
450.21	540.25	After 2.5 days		450.21	540.25
25.00	30.00		+ per hour	25.00	30.00
Environmental Information Regulations 2004					
25.00	30.00	Staff time	per hour	25.00	30.00
Reuse of Public Sector Information Regulations 2005					
25.00	30.00	Staff time	per hour	25.00	30.00
Information that has a commercial value - a charge will be determined on a case-by-case basis					
Freedom of Information / Environmental Information Regulations / Reuse of Public Sector Information Regulations					
Charges for materials -					
0.10	0.12	Photocopying (black & white)	A4 sheet	0.10	0.12
0.20	0.24		A3 sheet	0.20	0.24
1.10	1.32		A0 sheet	1.10	1.32
0.20	0.24	Photocopying (colour)	A4 sheet	0.20	0.24
0.50	0.60		A3 sheet	0.50	0.60
1.70	2.04		A0 sheet	1.70	2.04
45.11	54.13	Printing (black & white)	per hour	45.11	54.13
45.11	54.13	Printing (colour)	per hour	45.11	54.13
24.68	29.62	CD's	per hour	24.68	29.62
(if information is held electronically)					
actual cost		Converting to electronic or microfiche		actual cost	
actual cost		Postage		actual cost	
10.00	n/a	Subject Access Requests (discretionary)		10.00	n/a

FINANCE & SUPPORT SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
LAND CHARGES					
Local Land Charges					
Statutory Charges					
67.00	n/a	Registration of a charge in Part II of the register	per charge	67.00	n/a
2.50	n/a	Filing a definite certificate of the Lands Tribunal under rule 10 (3)	per certificate	2.50	n/a
7.00	n/a	Filing a judgement or order, or written request for the variation or cancellation of any entry in Part 11 of the register	per item	7.00	n/a
2.50	n/a	Inspection of documents filed in the register under rule 10, in respect of each parcel of land	per parcel of land	2.50	n/a
Various	n/a	Office copy of any plan or other document filed pursuant to the rules	per copy	Various	n/a
Non Statutory Charges					
5.00	n/a	Personal Search inclusive of printout	for print out	5.00	n/a
21.00	n/a	Official search (including issue of official certificate of search) in: the whole of the register	per search	21.00	n/a
5.00	n/a	And in addition, in respect of each parcel of land above one, where under rule II (3) more than one parcel is included in the same requisition (for a search in the whole or part of the register), subject to a maximum of £16.00	per additional search	5.00	n/a
Answering form of enquiry					
Part I Enquiries -					
66.00	n/a	One parcel of land - Residential / Commercial	per enquiry	66.00	n/a
20.00	n/a	- Commercial each additional parcel	per enquiry	20.00	n/a
Part II Enquiries					
Where relating to one parcel of land only or to several parcels and delivered on a single form -					
Each printed enquiry					
12.00	n/a	numbered in the form 4 - 21	per enquiry	12.00	n/a
20.00	n/a	numbered in the form 22	per enquiry	20.00	n/a
25.00	n/a	Any and each further enquiry added by solicitors	per enquiry	25.00	n/a
15.40+	n/a	Abstract of Title		15.40+	n/a
21p	n/a			21p	n/a
				per sheet copied	

FINANCE & SUPPORT SERVICES

2014/15		DETAILS	UNIT OF CHARGE	2015/16	
Exc. VAT £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
LEGAL CHARGES					
110.00	132.00	Notice of Transfer	per hour	112.50	135.00
110.00	132.00	Deed of Variation	per hour	112.50	135.00
110.00	132.00	Deed of Covenant Copy	per hour	112.50	135.00
110.00	132.00	" Engrossment	per hour	112.50	135.00
110.00	132.00	Postponement of Charge	per hour	112.50	135.00
110.00	132.00	Litigation, Conveyancing and Planning matters	per hour	112.50	135.00
110.00	n/a	Sale of Council Minutes	per civic year	112.50	n/a
20.50 + 1.50 per thousand entries or part	n/a	Extract of Electoral Register	data	20.50 + 1.50 per thousand entries or part	n/a
10.00 + 5.00 per thousand entries or part	n/a	Fee for sale of the Register	printed	10.00 + 5.00 per thousand entries or part	n/a
20.50 + 1.50 per hundred entries or part	n/a	Fee for sale of the list of Overseas Electors	data	20.50 + 1.50 per hundred entries or part	n/a
10.00 + 5.00 entries or part	n/a		printed	10.00 + 5.00 entries or part	n/a
REVENUES					
70.00	n/a	Council Tax penalty for failure to promptly notify or provide information	1st offence	70.00	n/a
280.00	n/a		subsequent offences	280.00	n/a
80.00	n/a	Summons and Liability Order		80.00	n/a
Letting of Council Offices					
30.00	n/a	Council Chamber - Hertford	per hour	30.75	n/a
20.00	n/a	Other Rooms - Hertford	per hour	20.50	n/a

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CAPITAL PROGRAMME 2014/15 - 2017/18

SUMMARY	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
<u>NEW SCHEMES</u>					
PEOPLE	0	0	97	0	25
PLACE	0	0	310	452	610
PROSPERITY	0	30	420	450	450
SUB-TOTAL	0	30	827	902	1,085
<u>EXISTING SCHEMES</u>					
PEOPLE	1,970	564	1,158	1,747	836
PLACE	875	860	577	245	245
PROSPERITY	672	1,317	157	93	93
SUB-TOTAL	3,517	2,741	1,892	2,085	1,174
GRAND TOTAL	3,517	2,771	2,719	2,987	2,259

Exp. Code	PEOPLE	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
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NEW SCHEMES

SWIMMING POOLS							
	Grange Paddocks - Re-treat Structural Ceiling to Pool						
	To treat laminated timber beams to ensure they are properly protected from high humidity & chemicals used in the treatment of the pool water	S. Whinnett & J. Earley	0	0	0	0	25
	Grange Paddocks - Teaching Pool Refurbishment						
	Replace existing handrail & tiles to walls, steps & base of pool	M. Kingsland & S. Whinnett	0	0	35	0	0
OTHER LEISURE							
	Hartham Pavilion Refurbishment						
	Create new public toilet space, redevelop existing café area, create functional changing area for footballers & incorporate meeting/training room. (Note 4)	M. Kingsland	0	0	62	0	0
	TOTAL NEW SCHEMES		0	0	97	0	25

EXISTING SCHEMES

Leventhorpe Swimming Pool, Sawbridgeworth *							
72338	Renew main supply fan to the main pool area	S. Whinnett	25	0	0	25	0
72354	Gym Air Conditioning Replacement & Roof Refurbishment (Note 1). Remove existing unreliable air conditioning system & replace with new fully compliant system. Works to include refixing of related trunking to facilitate the replacement of the roof covering	S. Whinnett	0	30	0	0	0
72339	Replacement Fire Exit Doors & Frames	S. Whinnett	0	(1)	0	0	0
72340	Replace Main Pool Circulating Pumps	S. Whinnett	17	0	0	0	0
72349	Pool Hall Air Handling Renewal - to remove the existing unreliable air handling plant serving the pool hall & replace with a new energy efficient system	S. Whinnett	100	15	135	0	0
72352	Refurbishment of Pool Filters to ensure the efficiency of the pools filtration plant operation & to maintain the pools water quality	S. Whinnett	0	0	0	25	0
Grange Paddocks Swimming Pool, Bishop's Stortford							
72343	Renew Pool Heat Exchanger & defective pipework	S. Whinnett	0	18	0	0	0

Exp. Code	PEOPLE	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
	Fanshawe Swimming Pool, Ware *						
72345	Refurbish/Replace Pool Filters, to maintain efficient operation of the pool filter & pool water quality	S. Whinnett	20	0	0	20	0
72346	Replace Pool Circulating Pumps	S. Whinnett	20	0	0	20	0
72353	Joint Provision Pools (Ward Freman, Leventhorpe & Fanshawe) - Replacement Air Conditioning to Offices	S. Whinnett	0	0	15	0	0
72351	Hartham & Grange Paddocks Swimming Pool - Resurfacing & Lining. To provide clearly marked out car parking bays to enable efficient & effective parking by the public	S. Whinnett	0	0	65	0	0
	Private Sector Improvement Grants						
72602	Disabled Facilities (Note 2)	S. Winterburn	595	300	450	530	530
72605	Disabled Facilities - Discretionary	S. Winterburn	50	0	90	60	60
72606	Decent Home Grants	S. Winterburn	120	40	200	120	120
72604	Energy Grants	S. Winterburn	20	1	39	20	20
72685	Future Social Housing Schemes	S. Drinkwater	821	0	0	821	0
71201	Capital Salaries		26	26	26	26	26
	Community Capital Grants						
72442	Capital grants provide the right tools for people to get involved with projects that improve facilities such as green spaces or community buildings – inspiring ownership and pride.	C. Pullen	156	124	138	80	80
72582	Local Strategic Partnership Capital Grants (Note 3)	W. O'Neill	0	2	0	0	0
	Presdales Pavilion, Ware						
72545	New Paving & landscaping at the front of the pavilion	W. O'Neill	0	9	0	0	0
	TOTAL EXISTING SCHEMES		1,970	564	1,158	1,747	836
	GRAND TOTAL		1,970	564	1,255	1,747	861

* Expenditure on Joint Use Pools 40% funding sought from HCC/schools as appropriate.

- Note 1. Joint Provision Agreement does not apply to the Gym, EHC is liable for 100% of the costs
Note 2. Government funding of £240,174 in 14/15 and assumed £175,000 in both 15/16 and 16/17.
Note 3. Funded from reserves generated from Performance Reward Grant
Note 4. Proposed that this is funded by S106 agreements in the Hertford area totalling £62k

Essential Reference Paper 'I'

Exp. Code	PLACE	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
NEW SCHEMES							
	OPERATIONAL BUILDINGS						
	Rolling programme for planned preventative capital maintenance of operational buildings	S. Whinnett & J. Earley	0	0	250	250	250
	ENVIRONMENT ITEMS						
	Open space improvements at Bishop's Park, Bishop's Stortford						
	Installation of a car park, footpath improvements & health/play facilities. (Note 9)	I. Sharratt	0	0	0	106	0
	Woodland restoration at Presdales Recreation Ground, Ware						
	Installation of a circular walk, car park improvements & woodland restoration. (Note 10)	I. Sharratt	0	0	0	0	85
	Play Area Hartham Common, Hertford						
	Installation of new play equipment, landscape enhancements and ancillary improvements, to include bespoke seating areas and tree & shrub planting. (Note 11)	I. Sharratt	0	0	0	0	275
	Play Area The Bourne, Ware (Phase 2)						
	Installation of a fitness & play facility for older children & open space access improvements to include new footpath, new play equipment & tree planting. (Note 12)	I. Sharratt	0	0	41	0	0
	Play Area Grange Paddocks, Bishop's Stortford						
	Install new play area, to include new activity equipment & surfacing. New footpath & installation of new seating. (Note 13)	I. Sharratt	0	0	0	96	0
	Replacement of Filming & Production Equipment						
	Purchase of updated filming equipment to provide efficient & high quality digital video production services within the Council	A. McWilliams	0	0	19	0	0
	TOTAL NEW SCHEMES		0	0	310	452	610

Essential Reference Paper 'I'

Exp. Code	PLACE	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
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Essential Reference Paper 'I'

Exp. Code	PLACE	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
EXISTING SCHEMES							
	Hertford Theatre						
72705	Upgrade of seating in the auditorium	S. Whinnett	0	109	0	0	0
74102	Historic Building Grants						
	Enable grants to be offered to the owners of historic buildings to encourage their maintenance and upkeep.	K. Steptoe	55	49	55	55	55
	Refuse Collection & Recycling						
Various	Replacement of Refuse Containers/Litter Bins	C. Cardoza	140	145	140	140	140
	Provision of Play Equipment						
72504	Play equipment & infrastructure replacement	C. Cardoza	50	50	50	50	50
	The Bourne, Ware						
72585	Replace existing equipment with natural play equipment & installation of new fencing around the play area. (Note 1)	C. Cardoza	41	61	0	0	0
	Pishiobury Park, Sawbridgeworth						
72507	Wetland Habitat Project - improvements to boardwalk/paths permitting safe access to the wetland area of the park (Note 2)	C. Cardoza	0	12	0	0	0
	Art in Parks Project						
72506	To work with local artists to develop cultural & artistic features in public open spaces (Note 3)	C. Cardoza	0	5	0	0	0
	Hartham Common, Hertford						
72508	Potential projects include development of water play area, improvements to car parking & pedestrian access (Note 4)	C. Cardoza	25	0	25	0	0
	Great Innings, Watton-at-Stone						
72509	Installation of Multi Use Games Area (MUGA) to provide a ball game facility for local young people & will reduce levels of nuisance caused to neighbouring residents relating to noise & escaping footballs (Note 5)	C. Cardoza	80	80	0	0	0

Essential Reference Paper 'I'

Exp. Code	PLACE	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
	Southern Country Park, Bishop's Stortford						
72510	Boardwalk installation across balancing pond to improve the functionality & attractiveness of this Green Flag award winning park (Note 6)	C. Cardoza	80	80	0	0	0
	Buryfield Recreation Ground, Ware						
72511	Installation of play area to encourage healthy activity for younger children (Note 7)	C. Cardoza	0	0	61	0	0
	3G Artificial Turf Pitch development at Hartham Common, Hertford.						
72514	To replace the under utilised Hartham Common tennis courts with 3 floodlit 3G 5-a-side pitches (Note 8)	C. Cardoza	85	85	0	0	0
	Bell Street, Sawbridgeworth						
72513	Modernise the public convenience facilities, whilst providing storage space for Sawbridgeworth T C, relieving EHC of the ongoing revenue burden of this service provision	C. Cardoza	70	70	0	0	0
	Energy Efficiency & Carbon Reduction Measures						
75168	Installation of solar panels at Wallfields, Hertford	C. Cardoza	45	45	0	0	0
72591	Castle Weir Micro Hydro Scheme						
	To provide a small Hydro-electricity turbine in the river Lee at Hertford Weir. This is an invest to save project and will generate electricity providing power for Hertford Theatre and for sale to the Grid. The scheme is subject to a rigorous approval process by the Environment Agency for flood risk and protection of biodiversity.	C. Cardoza	204	3	201	0	0

Essential Reference Paper 'I'

Exp. Code	PLACE	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
74105	Environmental Enhancements to East Herts town centres	P. Pullin	0	66	0	0	0
74106	Bishop's Stortford Market Improvement Scheme	P. Pullin	0	0	45	0	0
	TOTAL EXISTING SCHEMES		875	860	577	245	245
	GRAND TOTAL		875	860	887	697	855

- Note 1. £5,000 funded from Riversmead Housing Association S106 in 2013/14
- Note 2. This project will require match funding to maximise the potential of this project and this sum reflects provision for this.
- Note 3. Provision to attract external funding.
- Note 4. Currently working with the Countryside Management Service to lever in external funding
- Note 5. Fully funded from S106 monies
- Note 6. £70,400 funded from S106 monies
- Note 7. £50,750 funded from S106 monies
- Note 8. Agreed annual management fee reduction of £17,000 over 8 years. £24,700 funded from S106 (St. John's, Hertford)
- Note 9. External funding yet to be identified
- Note 10. Potential funding to be explored from S106 & Forestry Commission incl. £85,000 from the old Hertford Police Station development.
- Note 11. Proposed that this is part funded by S106 agreements in the Hertford area totalling £190k
- Note 12. External funding of £15,000 secured by Cemex landfill fund & £6,488 from S106 Weston House Hospital, Ware.
- Note 13. Funded by £13,686 S106 monies (Firlands House, B/S & Whitehall Leys) with further potential S106 funding

Exp. Code	PROSPERITY	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
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NEW SCHEMES

	Rolling programme to be utilised on ICT projects subject to ITSG review	H. Lewis	0	0	400	400	400
	Land Management Programme						
	To investigate/improve possible contaminated land	G. Field	0	30	20	50	50
	TOTAL NEW SCHEMES		0	30	420	450	450

EXISTING SCHEMES

Various	ICT Schemes	Various	386	740	86	35	35
	Car Parks						
75271	Causeway Car Park, Bishop's Stortford - essential repairs incl. resurfacing of defective areas, drainage repairs, re-lining, repairs to lighting and planted areas	S. Whinnett/D. Kingsbury	0	30	0	0	0
	Council Offices, Wallfields, Hertford						
71274	Boiler Room Works - refurbishment of certain elements of plant	S. Whinnett	60	60	0	0	0
71269	Security Gates & Fencing to Side Access to Boiler Room to ensure that this area is kept secure.	S. Whinnett	15	15	0	0	0
71277	Lift Improvements, to ensure that the lift complies with all current health & safety requirements	S. Whinnett	25	34	0	0	0
71278	Refurbishment of Windows, to ensure the efficient and safe operation of the windows so as to provide a comfortable environment for staff	S. Whinnett	15	15	0	0	0
71275	Refurbishment Works to Old Building, to include lighting replacement	S. Whinnett	0	7	0	0	0
71276	Equality Access & Card Control to Doors to make all staff doors equality compliant & secure	S. Whinnett	0	(1)	0	0	0
	Cricketfield Lane, Bishop's Stortford						
72598	Resurface Footpath & Retainment Works to provide a safe pedestrian route for the public	S. Whinnett	75	11	0	0	0
	Compliance Software System						
71445	Comprehensive system to record & update information related to all areas of compliance in Council properties	S. Whinnett	10	10	0	0	0
71203	Replacement of Chairs & Desks	R. Crow	10	9	10	10	10
75157	New Footbridge over the River Stort, Bishop's Stortford	A. Osborne	0	87	0	0	0
	North Drive, Ware						
72568	Reconstruct road & drainage	A. Osborne	15	1	13	0	0

Exp. Code	PROSPERITY	Project Manager	2014/15 Original Estimate £000	2014/15 Revised Estimate £000	2015/16 Original Estimate £000	2016/17 Original Estimate £000	2017/18 Original Estimate £000
75160	River & Watercourse Structures	G. Field	48	66	48	48	48
	Improve, maintain & renew structures along rivers and watercourses to alleviate possible flooding throughout the district.						
75162	Repairs & Renewals Scheme (Flood Grants) Note 2	G. Field	0	220	0	0	0
71251	Installation of Automated Telling Machines at Hertford & Bishop's Stortford	N. Sloper	13	13	0	0	0
	TOTAL EXISTING SCHEMES		672	1,317	157	93	93
	GRAND TOTAL		672	1,347	577	543	543

Note 1. Funding for future years as follows (as agreed at 23.7.13 Exec):-

2017/18 - £35,000
2018/19 - £154,950
2019/20 - £67,010
2020/21 - £74,000

Note 2. Fully funded from DEFRA

Capital Programme Funding Statement 2014/15 to 2017/18

	2014/15	2015/16	2016/17	2017/18	Total
	£000's	£000's	£000's	£000's	£000's
Proposed Capital Programme	2,771	2,719	2,987	2,259	10,736
To be funded by:					
Capital Receipts	2,109	1,841	950	400	5,300
Government grants					
DFG - specified capital grant	240	175	175	175	765
Third Party contributions					
Performance Reward Grant (LSP grants)	2	-	-	-	2
Play Facility - The Bourne (Cemex)	-	15	-	-	15
R and R Flood Grants (DEFRA)	220	-	-	-	220
Station Rd W-at-S, Gt Inn MUGA	80	-	-	-	80
St Michael's M, Boardwalk SC Park	70	-	-	-	70
Cintel Site 106, Buryfield play area	-	51	-	-	51
Hartham Pavilion (s106 monies)	-	62	-	-	62
Presdales walk (s106)	-	-	-	85	85
Play Area Hartham (s106)	-	-	-	190	190
Play Facility - The Bourne (s106)	-	6	-	-	6
Play Area GP (s106)	-	-	14	-	14
3G Artificial Turf Pitch, Hartham (s106)	25	-	-	-	25
Third Party Sub total	397	134	14	275	820
Revenue Contribution	25	25	25	25	100
Internal Funding	-	544	1,823	1,384	3,751
Total Funding	2,771	2,719	2,987	2,259	10,736

Notes

Government grant assumptions for 2014/15 onwards are subject to Government funding announcements. In addition, with effect from 2015/16 Disabled Facilities Grant income will no longer be funded direct from the Government but will be distributed via Hertfordshire County Council under the Better Care Fund arrangements.

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BALANCES ON RESERVES

		Balance	Est Balance	Est Balance	Est Balance	Est Balance	Est Balance
	Purpose of Earmarked Reserve	31 Mar '14	31 Mar '15	31 Mar '16	31 Mar '17	31 Mar '18	31 Mar '19
		£'000	£'000	£'000	£'000	£'000	£'000
General Fund	This is the minimum level of reserve that the Council should maintain in line with recommended practice	3,854	3,854	3,854	3,854	3,854	3,854
General Reserve	This reserve is available to support General Fund activities and the Council's Medium Term Financial Plan.	4,241	4,241	4,241	4,241	4,241	4,241
Other Earmarked Reserves							
Interest Equalisation Reserve	This reserve was established from part of the 2005/06 underspend to assist the Council in managing the financial implications of future adverse interest rate fluctuations.	2,257	2,166	2,138	2,138	2,138	2,138
Insurance Fund	This fund was established to support the Council's insurance and risk management process	10	10	10	10	10	10
Emergency Planning Reserve	This reserve was set up in 2002 to support the work of the Emergency Planning Officer group which had been established in the Council.	37	37	37	37	37	37
VAT Partial Exemption Reserve	To enable the Council to meet the additional cost of any unrecoverable VAT which cannot be budgeted for precisely, a reserve was established at 31 March 1999.	145	145	145	145	145	145
Service Improvement Fund	This reserve was established in 2008 as a means of financing 'one-off' initiatives that will deliver efficiencies and service improvements in the medium term	610	610	610	610	610	610
LDF - Public Exam / Green Belt Review	The Local Development Framework/Green Belt review reserve was established in 2008/09 to smooth expenditure flows over the course of the Council's Medium Term Financial Plan.	733	437	154	94	34	-
Housing Condition Survey	This was established in 2008/09 to smooth the costs of the Housing Condition survey undertaken approximately every 5 years across the Medium Term Financial Plan	79	43	47	61	75	89
Provision for future whole Council elections	Established in 2008/09 to smooth Election costs over the Medium term Financial Plan	50	77	5	33	60	88
Sinking Fund - Leisure utilities / pension	Following the award of a new Leisure contract in January 2009, the Council provided guarantees in respect of both utilities and employers pension costs. The reserve will be used to meet any calls on the Council to make payments under the guarantees in the event that either utility prices and/or employers pension contributions increase by more than general indexation as provided for in the contract.	282	231	231	231	231	231
Restructure Fund	A small reserve was created in 2009/10 to assist the Council in meeting any future requirements in support of organisational structure change	33	33	33	33	33	33
Performance reward grant	The Council received revenue funding in respect of the Local Area Agreement (Performance Reward Grant). In addition to planned use of the funding stream to support the Council Tax, funds were set aside to be released on approval of schemes by the Local Strategic Partnership.	30	10	-	-	-	-
LABGI Reserve	Unapplied grant was transferred to an earmarked reserve 1 April 2009. It was anticipated that these funds would be used to support the economic development service	94	87	87	87	87	87

Waste recycling income volatility reserve	Further to the receipt of additional income under the county wide funding formula for waste recycling, the Council established a reserve to assist with future initiatives in respect of its waste and recycling strategies. With the reletting of the Refuse contract, it was determined that there was no longer a need for a Waste Recycling reserve. However, given the level of uncertainty over long term sustainability of income from the sale of recycled materials, it was agreed in 2011/12 to re-designate the recycling reserve to an income volatility reserve.	275	275	275	275	275	275
Footbridge over the River Stort	The Council's Medium Term Financial Plan set aside £50k a year from 2010/11 to 2012/13 in order to meet any potential maintenance costs or liabilities that may arise relating to the footbridge over the river Stort.	150	150	150	150	150	150
Cost of Change Reserve	In line with the Councils' financial planning assumptions approved in February 2011, £400k of the 2010/11 underspend has been transferred to a Cost of Change Reserve. This will be used to fund deferred pension contributions and transitional staffing costs, including those arising from implementing planned budget savings through staffing restructurings.	1,127	972	794	664	660	660
DCLG Preventing Repossessions	This reserve was established in 2011/12 from a grant received from DCLG for work preventing repossessions	30	30	15	-	-	-
Environmental Pollution DEFRA	Another reserve established in 2011/12 from DEFRA monies received for works preventing environmental pollution	14	-	-	-	-	-
New Homes Bonus Priority Spend	The Council received funding from DCLG in the form of New Homes Bonus. As part of its financial planning strategy it agreed that any underspend on the Priority Spend element as at 31 March should be appropriated into the reserve for future spend on economic development initiatives.	1,049	1,985	1,985	1,985	1,985	1,985
Collection Fund Reserve	Resulting from a Council decision in January 2014, a Government Funding Risk Reserve was established to smooth the effect on the Council of income volatility following the new NNDR funding regime. This has now been renamed Collection Fund Reserve.	1,244	1,551	447	149	-	-
DEFRA Flood Support for Local Businesses reserve	DEFRA Grant received to enable the Council to support Local businesses repair damage following the flooding in 2013/14. It is anticipated this will be	125	-	-	-	-	-
Total Earmarked Reserves		8,374	8,849	7,163	6,702	6,530	6,538
Overall Total		16,469	16,944	15,258	14,797	14,625	14,633

	<p>NNDR income remains volatile as the amount we collect is dependent on the number of appeals made.</p>	<p>HIGH</p>
	<p>Housing Benefits: we get pound for pound subsidy from government to cover the benefits we pay out. The financial risk is in making overpayments (by mistake or through fraud) and the Council not collecting this back from the claimant. Predicting demand for housing benefits is also very difficult and future demands will partially depend on the type of new housing built in the area.</p>	<p>MEDIUM</p>
	<p>Fees and charges: income budgets are reviewed annually as part of the budget setting and are based on the most up-to-date information available at the time. A 5% shortfall on car park income = £160k and in other income = £85k.</p>	<p>LOW / MEDIUM</p>
	<p>The Land Charges income budget of £273k is at risk of being lost to the Council as the work associated with the fee is likely to move to the national Land Registry.</p>	<p>HIGH</p>

<p>The robustness and level of planned efficiency savings / productivity gains</p>	<p>The amount of savings built into the MTFP is relatively low compared to the overall total budget.</p>	<p>LOW</p>
<p>The financial risks inherent in any significant funding partnerships, outsourcing contracts, or major capital developments</p>	<p>East Herts has an increasingly more complicated model of service delivery than was previously the case. More services are procured through contract or through partnership delivery models. This means that the Council could face short term financial risks if a partner/contractor pulls out of the arrangement (even though there would be an exist strategy written into the agreement). In addition, the increasing amount of budget contractually committed means that it has less flexibility in the short term to divert resources towards any short term budget pressure.</p>	<p>MEDIUM</p>
<p>The overall financial standing of the Council (level of borrowing, debt outstanding, cash balances, exposure to volatility in the financial markets, etc.)</p>	<p>Level of borrowing: The Council has loans totalling £7.7m of which £6m falls due in 2020. The likelihood of the Council not having sufficient investments to repay this debt is very low.</p> <p>The Council's cash and investment holdings as at end of 2014: were some £52m.</p>	<p>LOW</p>

	<p>The Council's Treasury Management Strategy currently favours a risk adverse policy to its investments with a requirement that 50% or so of investments are in short term UK treasury bills or other short dated bank deposits in order for the Council to have ready access to cash. The biggest risk is a change to the UK bank base rate which is unlikely to go lower than it currently is.</p> <p>The move to property investment endorsed in the 2014/15 Treasury Management Strategy will increase the Council's risk exposure.</p> <p>There is a longer term risk that the Council may no longer be able to fund its capital programme from cash reserves/investments in the future. This would depend on whether the amount invested in capital expenditure remains at its current, relatively low, level and other demands needed from reserves.</p>	
The long term solvency of the Pension Fund	The last triennial valuation of the Pension Fund was undertaken in 2013 and	LOW

	<p>resulted in the Council making a lump sum payment from General Reserves to the Pension Fund of £1.008m in order to stabilise the annual Pension Deficit Contribution and employer contribution rate over a 3/4 year period.</p> <p>The next valuation will be in 2016 and the probability is high that the Council may need to consider making a similar payment to the Pension Fund depending on the level of deficit.</p>	<p>up to 2016/17 HIGH from 2016/17</p>
<p>The Council's track record in budget and financial management.</p>	<p>The Council has a long history of under spending its revenue budget by some £1m to £2m annually. The risk of unplanned overspends occurring that require emergency funding is very low.</p>	<p>LOW</p>
<p>The availability of reserves and contingencies to deal with any emergencies or overspending</p>	<p>As this report sets out, the Council is in a healthy position with regards to the amount of general and earmarked reserves it holds.</p> <p>In addition, the MTFP currently shows some £0.5m contingency in the revenue budget for this financial year and next although this reduces to £333k in 2016/17.</p>	<p>LOW</p>

<p>The adequacy of the Council's insurance arrangements to cover major unforeseen risks.</p>	<p>The Council is fully insured and currently does not self-insure any of its potential risks.</p>	<p>LOW</p>
<p>External factors particularly the external financial climate which the Council is subject to and future funding levels expected from government.</p>		<p>HIGH</p>
<p>The UK economy grew by 0.7% in the third quarter of 2014 compared to the previous quarter, and was up by around 3% on a year earlier. The recovery has now been sustained for nearly two years since early 2013 after a couple of sluggish years in 2011 and 2012.</p> <p>Most economic commentators expect growth to continue for the rest of the year and next but international risks have increased over the past six months. The Eurozone has lost momentum and emerging market performance has faltered, with Chinese and Indian growth slowing and more marked downturns in economies such as Brazil, South Africa and Turkey. There is more uncertainty currently about the national economic outlook than there was six months ago.</p> <p>The Office for Budget Responsibility (OBR) published their latest Economic and Fiscal Outlook on the 3 December 2014. Public sector net borrowing is expected to fall by 0.6 per cent of GDP this year, reaching 5.0% – half the peak it reached in 2009-10. Looking further ahead, OBR expect the deficit to fall each year and to reach a small surplus by 2018-19. On the Government's latest plans and medium-term assumptions, OBR state that we are now in the fifth year of what is projected to be a 10-year fiscal consolidation. Relative to GDP, the budget deficit has been halved to date, thanks primarily to lower departmental spending (both current and capital) and lower welfare spending. The tax-to-GDP ratio has risen little since 2009-10. Looking forward, the Government's policy assumption for total spending implies that the burden of the remaining consolidation would fall overwhelmingly on the day-to-day running costs of the public services – and more so after this Autumn Statement. Between 2009-10 and 2019-20, spending on public services, administration and grants by central Government is projected to fall from 21.2 per cent to 12.6 per cent of GDP and from £5,650 to £3,880 per head in 2014-15 prices. Around 40 per cent of these cuts would have been delivered during this Parliament, with around 60 per cent to come during the next.</p>		

As an illustration of the potential risk to East Herts:

If it were decided that New Homes Bonus would no longer be funded then this would represent a loss for the Council (2016/17 MTFP estimates) of £1.4m annually (10% of the Net Cost of Services) plus a further £0.8m annually that is not used to fund the base budget but the NHB Priority Spend Budget. This potential loss would not occur at once as it is unlikely the government would withdraw funding already guaranteed from previous years.

Other potential financial risks arising from changes to the local government finance system include the following:

- An independent Commission on Local Government Financing was set up in 2014 to bring forward practical options for reform in the next Parliament and to suggest a range of measures to make local government financially self-sufficient. Most stakeholders agree that the local government finance system needs fundamental reform.
- The Business Rate Retention Scheme will be reset in 2020 which means that the benefits accrued by the fastest growing areas, like East Herts, will end at that point and may be redistributed under a new funding calculation: and everyone has to start again. Reset gives areas with the lowest economic growth a chance to catch up but could take away resources from us.

There are potential risks to the Council with the introduction of Universal Credit. However this is difficult to quantify as the detail of the changes is not yet known nor is it known when this will be implemented.

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BUSINESS BUDGET CONSULTATION 2014

The 2014 consultation was conducted by the Economic Development Manager in partnership with the Hertfordshire Chamber of Commerce and the Federation of Small Business. Working with organisations representative of business has the advantage of identifying business opinion from a wide range of members through a reliable methodology e.g. business surveys conducted by the organisations and regular ongoing direct consultation that the Council is not resourced to deliver. The disadvantage is that some of the local flavour can be lost. However, direct local consultation can sometimes result in an over emphasis on specific issues with car parking as a common example.

The economy is strong in East Herts but representative business organisation is weak in parts of the district with Bishop's Stortford and Buntingford as the only towns with Chambers of Commerce (or indeed any formally organised representation).

In the past the consultation has taken the form of direct town based consultation or online surveys.

On this occasion both organisations were asked the same questions.

- **What priorities do your businesses think East Herts Council should adopt?**
- **How should these priorities be reflected in budget decisions?**

The headline summary of responses from each organisation is included below. It is worth stating that businesses are not always fully aware of the budget responsibilities of local authorities, however the results do show what businesses are actually saying.

The Federation of Small Business has approximately 240 members from East Herts. The Hertfordshire Chamber has a strong East Herts membership as a proportion of 1,000 members across the county.

Federation of Small Business

- A campaign to promote business rate relief and support to businesses in understanding the eligibility requirements
- The improvement of Broadband in rural areas. There is a significant problem in the north of the district where coverage is inadequate.
- Some action to improve areas with weak mobile phone access
- Events to promote the districts High Streets and Town Centres

- Measures to address skills shortages and business recruitment needs especially the development of technical skills
- FSB recognise the contribution made to SME's through the Eastern Plateau RDPE programme and hope that East Herts Council will be successful in their bid to operate a new programme from 2015.

Hertfordshire Chamber of Commerce

- Improvements to the road and rail infrastructure
- Better Broadband coverage
- Support and signposting to businesses seeking to participate in apprenticeship schemes
- Advice and support to businesses seeking to increase their export trade
- Access to finance advice
- Sector mentoring – especially the identification of mentors from the manufacturing sector to advise the education sector in developing technical skills in the curriculum

Paul Pullin December 2014

**GLOSSARY OF FINANCIAL TERMINOLOGY USED IN THIS
REPORT**

Budget

A statement of an authority's plans for net revenue or capital expenditure over a specified period of time. The annual budget is prepared as part of the Council's Annual Council Tax setting process. The budget, once approved, is an instrument of delegation which is used to authorise, monitor and control expenditure (and income). Legally every Council must set a budget by the 11th March preceding the financial year.

Capital Charges

Charges to services for the use of assets (property, land, equipment) needed to provide the service. Their purpose is to ensure that the cost of services reflects the true economic cost of financing and consuming the capital assets (property, vehicles, equipment and plant) used in the delivery of the service. The payment is a notional one i.e. it is not cash backed.

Capital expenditure

Spend on assets that have a lasting value, for example, land, buildings and large items of equipment such as vehicles. This can also include indirect expenditure in the form of grants or loans to other persons or bodies.

Capital Programme

The Council's plan of future spending on capital projects such as buying land, buildings, vehicles and equipment.

Capital Receipts

The proceeds from the disposal of land or other assets. These receipts can be used to finance capital but not revenue expenditure.

Central Support Charges

The transfer of costs from central services departments to service departments to reflect the support services provided, e.g. payroll

CIPFA

The Chartered Institute of Public Finance and Accountancy are one of the UK accountancy institutes. Uniquely, CIPFA specialise in the public sector. Consequently CIPFA holds the responsibility for setting accounting standards for local government.

Collection fund

A statutory account maintained by the Council recording the amounts collected from Council Tax and Business Rates and from which it pays the precept to Hertfordshire County Council, the Police Authority and various town and parish councils.

Collection Fund surplus (or deficit)

Any year-end balance of the council tax collection fund (which can be a deficit or a surplus) is shared between the county council (a precepting authority), the local police authority and East Herts. Any year-end balance of the business rates collection fund is shared between central government, East Herts and Hertfordshire County Council in the same proportions as their shares of business rates income.

Communities and Local Government (CLG)

A government department created in May 2006 that promotes community cohesion and equality and is responsible for housing, urban regeneration, planning and local government.

Contingency Budget

This is money set-aside centrally in the Council's base budget to meet the cost of unforeseen items of expenditure, such as higher than expected inflation or new responsibilities. The Executive agrees all contingency funding requests through the Health Check monitoring process.

Corporate Budgets

These are budget items that are not service specific and comprise the Council's interest payments, investment income, and annual contribution to the Pension Fund deficit. Corporate Budgets also include the Contingency Budget and the New Homes Bonus Priority Spend Fund which at the beginning of the year have not been allocated to specific services.

Council Tax Base

The Council Tax base for a Council is used in the calculation of council tax and is equal to the number of Band D equivalent properties. To work this out, the Council counts the number of properties in each band and works out an equivalent number of Band D equivalent properties. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992. They are: A 6/9, B 7/9, C 8/9, D 9/9, E 11/9, F 13/9, G 15/9 and H 18/9, so that Band A is six ninths of the 'standard' Band D, and so on.

CPI and RPI

The main inflation rate used in the UK is the CPI (Consumer Price Index), the Chancellor of the Exchequer bases the UK inflation target on the CPI. The CPI inflation target is currently set at 2%. The CPI differs from the RPI (Retail Price Index) in that CPI excludes housing costs.

DEFRA

Department for Environment, Food and Rural Affairs.

DWP

Department for Work and Pensions.

Earmarked Reserves

Reserves which are set aside for specific purposes: for example:

- To provide resilience against future risks such (e.g. Interest Equalisation Reserve and Insurance Fund)
- Smoothing the impact of uneven expenditure between years (e.g. local elections reserve)

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- To create policy capacity for one-off priority funding (e.g. New Homes Bonus Priority Spend Reserve)

Fees and Charges

Income raised from making charges for the provision of services such as licence permits, car parking and planning fees.

Financial Year

The local authority financial year commences on 1st April and finishes on the following 31st March.

Forecast Outturn

The estimated financial position at the end of the financial year.

General Reserves

Amounts built up that are not set-aside for specific purposes but to meet any unforeseen pressures.

Gross Domestic Product (GDP)

GDP is defined as the value of all goods and services produced within the overall economy.

Net Cost of Services

This is the cost of providing the Council's customer-facing and back-office services.

Non Domestic Rates (NDR)

Also known as 'business rates': a form of taxation on commercial and business properties (i.e. non-domestic properties). The Government determines the rate at which it is imposed nationally, but it is collected by billing authorities (district and borough councils). Up until 31 March 2013 business rates were all paid into a central national pool and then redistributed to authorities according to resident population numbers. From 2013/14 local

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authorities retain a "Local Share", (50%), the aim of which is to provide an incentive to help businesses set up and grow.

New Homes Bonus

Under this scheme Councils receive a new homes bonus (NHB) per each new property built in the borough for the first six years following completion. Payments are based on match funding the council tax raised on each property with an additional amount for affordable homes. It is paid as a non ring-fenced grant.

Office for Budget Responsibility (OBR)

A non-departmental advisory body that provides independent forecasts on the UK economy.

Original Estimate

This is the budget for the new financial year agreed annually by Council in February.

Prudential Borrowing

The Local Government Act 2003 replaced detailed central government controls over the level of local authority capital expenditure with a system of self-regulation based upon a requirement to ensure that capital expenditure plans are affordable, sustainable and prudent, as prescribed in CIPFA's prudential code.

Revenue Contribution to Capital Outlay (RCCO)

Use of the revenue budget to finance capital expenditure.

Revenue Expenditure

The day-to-day running expenses on services provided by Council.

Revenue Support Grant (RSG)

A general non ring-fenced government grant to support councils' general revenue expenditure.

Revised Estimate

This is the original approved estimate for the financial year as amended for any supplementary estimates or virement. It is an update of the anticipated outturn for the current year and is prepared in conjunction with the estimates for the following year.

Section 31 Grants

These are government awarded grants to compensate councils for central government policy decisions in respect of rate reliefs. These grants are not ring-fenced.

Section 106

Section 106 agreements, also known as planning obligations, are agreements between developers and local planning authorities that are negotiated as part of a condition of planning consent.

The Town and Country Planning Act 1990 enables local authorities to negotiate contributions towards a range of infrastructure and services, such as community facilities, public open space, transport improvements and/or affordable housing.

Section 151 officer

Legally Councils must appoint under section 151 of the Local Government Act 1972 a named chief finance officer to give them financial advice, in East Herts' case this is the post of the Director of Finance & Support Services.

Sources of Funding

This term is used at East Herts to mean general and not service specific sources of income such as New Homes Bonus, NDR, and Revenue Support Grant.

Specific Grants

As the name suggests funding through a specific grant is provided for a specific purpose and cannot be spent on anything else e.g. Housing Benefit Subsidy grant.

Spending Review

The Spending Review is an internal Government process in which the Treasury negotiates budgets for each Government Department. The 2010 SR set government spending for the four financial years up to 2014/15, the 2013 SR set spending for a single year 2015/16. The next spending review is expected in 2016.

Treasury Management

The process of managing the Council's cash flows, borrowing and cash investments to support East Herts' finances. Details are set out in the Treasury Management Strategy which is approved by Executive and Full Council in February each year.

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