

POLICY AND RESOURCES COMMITTEE

NOTICE AND AGENDA

For a meeting to be held on Monday, 23 January 2023 at 7.30 pm in the Penn Chamber, Three Rivers House, Rickmansworth

Members of the Policy and Resources Committee:-

Councillors:

Sarah Nelmes (Chair)	Stephen Giles-Medhurst (Vice-Chair) (Infrastructure and Planning Policy)
Paul Rainbow (Economic Development and Transport)	Phil Williams (Environment, Climate Change and Sustainability)
Stephen Cox	Philip Hearn
Chris Lloyd (Leisure)	Keith Martin (Resources and Shared Services)
Reena Ranger	Abbas Merali
Andrew Scarth (Housing)	Ciaran Reed
Roger Seabourne (Community Safety and Partnerships)	

*Joanne Wagstaffe, Chief Executive
13 January 2023*

The Council welcomes contributions from members of the public on agenda items at the Policy and Resources Committee meetings. Details of the procedure are provided below:

For those wishing to speak:

Members of the public are entitled to register and identify which item(s) they wish to speak on from the published agenda for the meeting. Those who wish to register to speak are asked to register on the night of the meeting from 7pm. Please note that contributions will be limited to one person speaking for and one against each item for not more than three minutes.

In the event of registering your interest to speak on an agenda item but not taking up that right because the item is deferred, you will be given the right to speak on that item at the next meeting of the Committee.

Those wishing to observe the meeting are requested to arrive from 7pm.

In accordance with The Openness of Local Government Bodies Regulations 2014 any matters considered under Part I business only of the meeting may be filmed, recorded, photographed, broadcast or reported via social media by any person.

Recording and reporting the Council's meetings is subject to the law and it is the responsibility of those doing the recording and reporting to ensure compliance. This will include the Human Rights Act, the Data Protection Legislation and the laws of libel and defamation. The meeting will not be broadcast/livestreamed but an audio recording of the meeting will be made.

1. APOLOGIES FOR ABSENCE

- 2. MINUTES** (Pages 7 - 18)
To confirm as a correct record the Minutes of the Policy and Resources Committee meeting held on 5 December 2022.

- 3. NOTICE OF OTHER BUSINESS**
Items of other business notified under Council Procedure Rule 30 to be announced, together with the special circumstances that justify their consideration as a matter of urgency. The Chair to rule on the admission of such items.

- 4. DECLARATIONS OF INTEREST**
To receive any declarations of interest.

- 5. CLIMATE AND SUSTAINABILITY IMPACT ASSESSMENT TOOL DECISION MAKING** (Pages 19 - 24)
The report requests the Committee approval for use of the Sustainability Impact Assessment Tool as mandatory in decision-making and Committee reports.

- 6. FIT AND PROPER PERSON ASSESSMENT POLICY** (Pages 25 - 36)
To propose to the Committee a new Fit and Proper Person Assessment Policy to ensure the Council's compliance in its duties to the residents of Mobile Homes Sites in the District.

- The full policy is contained in Appendix A.
7. FIT AND PROPER PERSON FEE POLICY (Pages 37 - 46)
To propose to Committee a new Fit and Proper Person Fee Policy to set out the fees that the Council will charge for any application for an assessment as a Fit and Proper Person to manage a relevant protected site within the district as per the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020.

The full policy is contained in Appendix A.

- 8. FINANCIAL PLANNING - REVENUE SERVICES** (Pages 47 - 86)
The purpose of this report is to enable the Policy and Resources Committee to recommend to the Council the updated revenue budget for 2022/23, proposed revenue budget for 2023/24 and indicative revenue budget for 2024/25 and 2025/26. These budgets form the Council's Medium Term Financial Plan (MTFP).

- 9. FINANCIAL PLANNING - CAPITAL STRATEGY AND THE TREASURY MANAGEMENT POLICY** (Pages 87 - 120)
The purpose of this report is to enable the Policy and Resources Committee to recommend to the Council its capital strategy and treasury management policy over the medium term (2023/24 to 2025/26). This report is the second of three that is covered under the recommendations report at **Item 10** on this

agenda.

10. FINANCIAL PLANNING - RECOMMENDATIONS

(Pages
121 -
126)

This report enables the Committee to make its recommendations on the Council's Revenue and Capital budgets and Treasury Management Policy for the period 2023/24 to 2025/26 (medium term) to Council on 21 February 2023.

11. COUNCIL MOTION REFERRED TO THE COMMITTEE UNDER RULE 11(6)

At the Council meeting on 13 December 2022 it was noted that the motion below had been referred to the Policy and Resources Committee meeting on 23 January 2023 under Rule 11(6) of the Council Constitution

Councillor Abbas Merali, seconded by Councillor Alison Wall to move under Notice duly the motion as given as follows:

This Council believes its Customer Services Centre (CSC) should be easily accessible to all trying to call it.

This Council acknowledges that over many months, call answering times have been unacceptably slow throughout the working week. Call queue position numbers are frequently in double digits resulting in waiting times of 15 minutes or more.

This Council resolves immediately to address the slow speed of call answering by the CSC and aim to ensure that call waiting times do not regularly exceed five minutes.

12. COUNCIL MOTION REFERRED TO THE COMMITTEE UNDER RULE 11(6)

At the Council meeting on 13 December 2022 it was noted that the motion below had been referred to the Policy and Resources Committee meeting on 23 January 2023 under Rule 11(6) of the Council Constitution

Councillor Chris Mitchell, seconded by Councillor Ciaran Reed to move under Notice duly the motion as given as follows:

We thank Josh Sills for the Sept and Oct stats for the wait time on answering phone calls to TRDC. Cllr Chris Mitchell is still getting complaints from residents who have waited for over 30 minutes and even 40 minutes for an answer. One, a 75-year-old, who has said she will not ring Three Rivers again because she cannot cope with the long waits. If we believe in good customer service then this is totally unacceptable. Our understanding is that if we were trying to sell goods 50% of callers abandon the call after 45 seconds, and if we were providing technical support 50% of caller abandon the call after 95 seconds. We are providing customer service, so people will hang on longer, but get very frustrated and it gives Three Rivers a bad name. The Council therefore resolves to:

1. Set a target of 80% of calls been answered within 90 seconds to be achieved in a reasonable time period, say by April 2023, to allow sufficient training of staff.
2. This can be achieved by using extra staff at peak periods for short periods of time to back up the customer services team.

13. MEMBERSHIP OF THE LOCAL PLAN SUB-COMMITTEE

To note that Councillor Raj Khiroya has replaced Councillor Jon Tankard on the Local Plan sub-committee.

14. WORK PROGRAMME

(Pages
127 -
132)

To receive the Committee's work programme.

15. OTHER BUSINESS - if approved under item 3 above

16. EXCLUSION OF PRESS AND PUBLIC

If the Committee wishes to consider the remaining item in private, it will be appropriate for a resolution to be passed in the following terms:-

"that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined under paragraph 3 of Part I of Schedule 12A to the Act. It has been decided by the Council that in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

(Note: If other confidential business is approved under item 3, it will also be necessary to specify the class of exempt or confidential information in the additional items.)

If the Committee wishes to consider the remaining items in private, it will be appropriate for a resolution to be passed in the following terms:-

"that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined under Paragraph 3 of Part I of Schedule 12A to the Act. It has been decided by the Council that in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

(Note: If other confidential business is approved under item 3, it will also be necessary to specify the class of exempt or confidential information in the additional items.)

1. TO RECEIVE THE RECOMMENDATIONS FROM THE LOCAL PLAN SUB-COMMITTEE AT THEIR MEETING HELD ON 7 DECEMBER 2022

2. OTHER BUSINESS - IF APPROVED UNDER ITEM 3 ABOVE

General Enquiries: Please contact the Committee Team at
committeeteam@threerivers.gov.uk

POLICY AND RESOURCES COMMITTEE

MINUTES

of a meeting held in the Penn Chamber, Three Rivers House, Northway, Rickmansworth on
Monday 5 December 2022 from 7.30pm to 9.20pm.

Councillors present:

Sarah Nelmes (Chair)
Stephen Cox
Philip Hearn
Steve Drury (for Cllr Chris Lloyd)
Keith Martin (Resources and Shared
Services)
Abbas Merali

Paul Rainbow (Economic Development and
Transport)
Reena Ranger
Ciaran Reed
Andrew Scarth
Phil Williams (Environment, Climate
Change and Sustainability)
Roger Seabourne (Community Safety and
Partnerships)

Officers Present: Geof Muggeridge, Director of Community and Environmental Services
 Alison Scott, Director of Finance
 Kimberley Grout, Executive Head of Service
 Kimberley Rowley, Head of Regulatory Services
 Justin Wingfield, Head of Property and Major Projects
 Marko Kalik, Head of Planning Policy and Conservation
 Sarah Haythorpe, Principal Committee Manager

PR67/22 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Chris Lloyd and Philip Hearn with the substitute Members being Councillors Steve Drury and Rue Grewal and also an apology for absence from Councillor Abbas Merali.

PR68/22 MINUTES

The minutes of the Policy and Resources Committee meeting held on 7 November 2022 were confirmed as a correct record and were signed by the Chair.

PR69/22 NOTICE OF OTHER BUSINESS

None received.

PR70/22 DECLARATION OF INTERESTS

Councillor Rue Grewal declared a prejudicial interest in the Part II item 2 as a Member of the Moor Park Golf Club and would leave the meeting for this item of business.

Councillor Reena Ranger declared a non prejudicial interest in the Part II item 2 as the Council representative on the Moor Park Mansion Heritage Foundation Trust but could stay and vote on the item.

POLICY

PR71/22 LOCAL DEVELOPMENT SCHEME (LDS)

This report sought Members approval of a revised Local Development Scheme (LDS) to incorporate a Regulation 18 'Additional Sites for Potential Allocation' consultation in place of the previously agreed further Regulation 18 consultation. This change is being proposed so as to ensure the Local Plan remains on course for 2025 Adoption as currently set out in the Council's extant LDS (January 2022).

The Head of Planning Policy and Conservation advised there had been one minor amendment to the scheme which was an additional R18 consultation in November/December that had moved to January/February. There had also been a change of approach to what had been agreed for the previous LDS which was to go out and do a full R18 consultation on all the policies and all the sites again. Officer's opinion was that you don't need re-consult if you have already consulted and you can go onto the next stage which would be the R19. What was proposed was to consult on the additional sites which had been submitted as part of the R18 consultation last year as they had not yet been consulted on. Officer opinion was this helped keep on track with the Local Plan. If we were to do a full R18 consultation again that would cause further delay and this way we keep to the timetable so that the R19 stage would still be scheduled for the end of next year.

The Lead Member advised that the amendment would allow for the consultation in January/February on the sites which had been discussed and agreed unanimously at the Local Plan sub-committee for a further consultation. It would also allow the Council to inform members of the public on the sites which had been put forward but had been rejected as part of the original R18 consultation in due course. We have yet to complete the review of the consultee responses on all the policy items but details would come forward to the sub-committee later this week. There was the option to wait until we had completed all the considerations and comments on the policies and then re-consult again but that would mean we would not be in a position to consult on the additional sites until May at the earliest due to the pre-election period in March. Officers do not believe they could get the policy documents ready for the consultation prior to the March cut off. There had been some leaked announcements from Government that there will be a consultation on the National Planning Policy Framework (NPPF) which may lead to a review of the targets set by Local Authorities and various other changes. Once we have the detail of that consultation, it may affect the timescales on our Local Plan. We do not wish to delay consulting on these potential additional sites as to do so would inevitably push everything back 6 months. It is possible, depending on what the Government says, we may have to push it back depending on consultation results, and whatever becomes Government policy.

The following points were made:

Q - Clarification on what a R19 stage is?

R – The R19 stage would be the draft plan that Three Rivers would like to submit to the Inspectorate. Having done the R18 consultation we would make the changes and put together our draft version of the plan that we would want to put forward for examination which would be tested against legal soundness rather than the details of the policies.

Q - Why are we looking to still put all the sites in to try and hit a target which we have been united in saying is too high? By putting all the sites into the mix it could potentially open up to legal challenges by a number of site owners who want to see their sites go forward. Is it not prudent to think of a number that we feel is suitable for TRDC and put that site plan together? On the visibility of the LDS to find the previous one you have to trawl through documents to see what has changed on the timeline. Can this be looked into by officers?

R - On the website details were very easily accessible and can be found [here](#). In terms of the original R18 consultation it was made quite clear the figures do not comply with the Government target. Members of the public will see after 13 December that this will still be the case in terms of what we go out for consultation on. Officers will be looking at the policies, procedures, consultation responses on the sites and evidence. Having rejected 230 sites this is evidence we have to put forward to the Planning Inspectorate.

The Head of Planning Policy and Conservation advised that in terms of the housing numbers officer advice is to follow what is national policy and legislation as set out in the NPPF. We can look at an alternative figure in exceptional circumstances but there needs to be robust evidence to back up why we are looking at a different figure and having looked at the previous Local Plan examinations the argument of being a Green Belt authority is not an exceptional circumstance and had not worked so far although this may change in the future.

In accordance with Council Procedure Rule 35(b) a member of the public spoke in support of the recommendation and two members of the public spoke against (having split the 3 minutes time available) at the Chairs discretion.

The Lead Member advised that we have undertaken the R18 consultation and this was a further consultation on new sites which had come out from the original R18 consultation. It would be remiss of the authority to not consult on those sites. There is no statutory requirement to consult again on the policies. Given the change in thinking by the Government today we may need to reflect on this and there may well be a further development plan. The policies have not finished being updated in line with changes in Government legislation, statutory consultee responses and resident's responses and if we consult on that we then have another set of responses and if we keep consulting it would not end. There has to be an end to a consultation. It is not legally required to re-consult on the policies and looking at other LAs they have not done repeated consultations.

The Head of Planning Policy and Conservation advised officer's opinion was that having done the R18 consultation in full it is standard practise to go onto the R19 stage once you have taken the responses into consideration and built into your plan. Looking at a neighbouring authority approach, Watford BC, they have successfully just completed their examination.

A Member said they had argued consistently for a TRDC local plan on locally acceptable numbers instead of having the huge number of sites in the original R18 consultation that were unacceptable. If we had stuck to an earlier timetable we would have a Plan ready to go instead of delaying the process to 2025.

A Member said when we started going through the sites we agreed we did not have sufficient housing numbers. We were working towards a standard methodology, which some did or did not agree to. We need to have a recheck of what our housing numbers should be, how we look at all the sites, the hierarchy we judge them on, which are a priority and a plan which protects our District.

The Lead Member said the current rules still stand. There is no change and any Local Authority is required to use the standard methodology in the NPPF in order to do its Local Plan. Another Local Authority had tried to do something

completely different and were told by the Inspector to think again. The Government may change the target, make it advisory or may allow us to do some things differently but until those changes become statute the Planning Inspector is told to reject plans which do not meet the standard methodology. We unanimously agreed at Full Council in October to have an alternative Local Plan which officers will work up in terms of the background to that the plan and that will be the reduced figure if we are allowed to do so and get it accepted by the Planning Inspector and the Government. The R18 is a consultation process seeking resident's views in this instance on a small number of additional sites whilst also rejecting some and can be used as one of our arguments why we are not able to meet the housing numbers. The sites only become agreed in the Developers pot once the Planning Inspectorate agrees to the Local Plan and sends it back to us. Had we completed a Local Plan last year we would have had to submit it for 12,624 houses and we are not prepared to do that.

A Member said today's announcement provided time to build proper evidence and consult with residents which feeds into the evidence base.

On the question raised by the Joint Residents' Association the Lead Member advised that we will have the right figure for Three Rivers irrespective of what the Government does. When we come up with a different figure it would be incumbent upon us to consult. Once we go out for consultation on a small number of sites we should be able to report back in May given the timeframes to this Committee on what we are then doing in terms of other consultations including on our own local figure.

A Member said but we have to get on with this and make steps forward. If the Government wants to say things have changed we could change this quickly. We are not hitting the existing target which may provide some difficulty as Local Authorities are beholden to the existing Government targets.

Councillor Keith Martin moved, seconded by Councillor Stephen Giles-Medhurst the recommendations as outlined in the report.

On being put to the Committee the motion was declared CARRIED by the Chair the voting being 9 For, 0 Against and 3 Abstentions.

RECOMMEND:

1. The Local Development Scheme as set out in Appendix 1.
2. That the further Regulation 18 consultation be focussed on new sites submitted as a result of the 2021 Regulation 18 consultation.

PR72/22 REQUEST TO CHANGE THE NAME OF THE PENSIONER FORUM

The Committee received a report to change the name of the Pensioner Forum to Seniors Forum.

Councillor Keith Martin moved the recommendation, seconded by Councillor Andrew Scarth, that the name be changed to Seniors Forum. The Council had been made aware that the current name was a barrier to being able to advertise the meetings on social media and in the local newspaper. It was advised that the attendees at the November meeting had been provided with some suggested names but the overwhelming choice of them was Seniors Forum.

There had been a lot of positive feedback on the meetings and Members thanked officers for all their work.

On being to the Committee the new name of Seniors Forum was declared CARRIED by the Chair the voting being by general assent.

RECOMMEND:

To approve the change of name of the Pensioner Forum to Seniors Forum

PR73/22 FREEDOM OF INFORMATION – PUBLICATION SCHEME

This report sought approval of the revised Freedom of Information Publication Scheme.

The Data Protection Officer advised that the current Publication Scheme had been reviewed by the Corporate Management Team and the following new information/data has been added:

- Business Rates data
- Housing and Homelessness data
- Public Health funeral data

A Member asked about previously requested information and the answers given and whether details could be provided on the website.

The Shared Director of Finance said the policy does pick up on frequently asked questions. The website was currently undergoing development and sessions had been organised for Members to view the work but so far Councillors had not attended to provide any feedback.

The Data Protection Officer said the matter had come up before but there were issues around Disclosure. There is no legal requirement to have this but the issue would be around redacting the requesters contact details but it was something we can look at and with the new website it might make it easier.

On being put to the Committee the recommendations were declared CARRIED by the Chair the voting being unanimous.

RESOLVED:

Approved the updated FOI Publication Scheme.

To Delegate authority to the Executive Head of Services, in consultation with the Lead Member for Resources and Shared Services to implement any minor amendments to the Publication Scheme

PR74/22 REVIEW OF STRATEGIC RISKS

This report gave details of progress against the Risk Treatment Plans for the Strategic Risks relating to the priorities identified in the Corporate Framework 2020-2023

The Emergency Planning and Risk Manager reported that the Council's Risk Management Strategy was approved by the Policy and Resources Committee at its meeting on 5 November 2018 and was last reviewed by the Audit Committee at its meeting on 29 September 2022. In accordance with the Strategy, the Policy and Resources Committee determines which of the Council's risks are 'strategic' and receives progress reports on their treatment. A strategic risk is defined as one that would seriously prejudice the achievement of the objectives of the Corporate Framework.

A Member thought there was a column missing as it did not provide details on the consequences and mitigations of the risk within the register.

A Member advised that what the risk register was doing was providing details of what the risk is, what the consequences of that risk are, the likelihood of it happening in the next 12 months, the impact, what controls are in place and the impact of it happening if there are no controls. If a Councillor was unsure of what the risk is it was their responsibility to ask questions.

A Member said on staff retention we had put in place measure to mitigate the risk but are the controls adequate.

The Emergency Planning and Risk Manager advised that sometimes you can put mitigation in but it may not reduce the situation happening or the impact were it to happen. Around staffing the strategic risk was added about a year ago where previously it was an operational risk. The recruitment of staff is across all services and we have some mitigation which in some cases will work but not in all cases.

A Member was pleased to see the climate change risk included and if Councillors had any interest in any of subjects they should look into the detail at a lower level on the risk registers for each department.

The Shared Director of Finance advised that the Audit Committee do a lot of work on this and it would be a really good place to have this debate at one of their meetings and will take forward that proposal to the Committee.

A Member said these were strategic risks for the strategy which is achieving the objectives of the Council. You will make a risk register unworkable by putting too much information into it but do need to provide a summary of what the risk is. If you add more detail you end up with a register full of risks as opposed to a risk register where you can pull things together providing a summing up of the risks. There are different set of financial risks looked at by the Audit Committee.

The Chair moved the recommendation as set out in the report.

On being put to the Committee the motion was declared CARRIED the voting being unanimous.

RESOLVED:

Noted the updated Strategic Risk Register.

PR75/22 BUSINESS RATES POOLING

To seek approval to enter into a business rates pool with Hertfordshire County Council (HCC) and a number of other Districts within the County for 2023/24.

The Shared Director of Finance advised this was a recommendation to full Council. For a number of years we had been part of the Business Rates Pool and this report would allow Hertfordshire and selected Districts in Hertfordshire to retain 75% of business rates growth rather than 50%.

The Chair moved the recommendations, seconded by Councillor Andrew Scarth.

On being put to the Committee the recommendation was declared CARRIED by the Chair the voting being unanimous.

RECOMMEND:

That Council agrees that, subject to a final review following the Local Government Settlement for 2022/23, Three Rivers District Council enters into the Hertfordshire Business Rates Pool.

That Council Delegate authority to the Chief Executive and the Director of Finance, in consultation with the Chair and Vice Chair of the Policy and Resources Committee to sign up to the Hertfordshire Business Rates Pool, within 28 days of the Local Government Finance Settlement.

PR76/22 CIL SPENDING APPLICATIONS

The report sought to allocate a 25% uplift on 2 previously approved leisure projects. Total uplift of £180,500 is needed to cover the increase in the supply chain for materials and labour since funding was first agreed (February 2022) and is for local infrastructure projects to support growth in Three Rivers.

The report had been presented to this Committee, ahead of the budget setting process, to avoid further price increases and delays in project mobilisation.

This uplift is required in order to offset current shortfalls in materials and labour. These are market force driven and it has been reported to Officers from a number of suppliers in the leisure equipment industry that another predicted price rise is due in December 2022/January 2023. Officers are keen to secure the current costs before these widely reported market price increases.

The Shared Director of Finance reported that the two schemes had previously come forward to the Committee and were agreed to be funded from CIL. Due to the current climate costs had gone up and they had come back for additional money but this would not impact on the rest of the capital programme as the funding will be provided by CIL.

A Member said if the application is submitted long before you can spend the money how accurate is the application. The requests were for huge uplifts and if we said no there would have been a lot of wasted work. Why was there such a mismatch on timing?

The Shared Director of Finance advised when the schemes were agreed prices were fairly stable which had now changed in the current climate. We are looking at having some contingency so we don't have to come back to the Committee. We are advised if we don't place the order soon there could be further costs.

The Head of Regulatory Services advised that officers need the certainty of funding early in the project conception and once they have agreement the projects can move forward. With these two projects they went out for consultation and to stakeholders as part of the project process and had to go out to tender. They are coming back to the Committee as a result of the tender documents and the money available for the projects. They are not able to implement the projects as they currently stand with the funding and would have to be on a reduced scale and quality of scheme. Members may recall in other recent applications for CIL funding we have put in the recommendations reference to contingencies to enable a more rapid response to market conditions.

A Member pointed out that Section E of the Denham project stated it was due to commence works in April 2022 so why did this not happen? The Shared Director of Finance agreed to come back with a written response.

A Member further advised that the cost of Denham Way project was only going to increase in the current climate but if started in April it would have been different. How much had the delay ended up costing the Council out of the CIL funding

compared to what it would of spent. The uplift is significant for a project which should have been delivered before the current inflationary spiral. Section E of the Denham Way project distinguishes between pre works on planning and works to have started in April but they had not started on the timescale this Committee agreed. Who was the Lead Member overseeing this. It was advised the project came under the Lead Member for Leisure but was sure they were fully aware of the situation but could provide some information following the meeting.

The Head of Regulatory Services would obtain more information from the department overseeing the project. The project did commence in April 2022 as part of the new financial year. The specification developed during April and in May consultation work took place for both projects and tenders documents were issued in May for Denham Way and evaluated in June. The increase in costs was started to be noted at that point. Further public consultation took place in June on the South Oxhey project and further evaluation in October so had been part of that tender process and was how we had got to this stage. We can only move forward on capital projects where the funding is available. If they did all this work and there were no monies available that would be a waste of work and resource. We are in an economic climate where costs are high but we have to secure funding before taking a project forward. We are now looking to have contingency funding included in any request for CIL funding but with costs increasing as much as they are we are not able to guarantee we can deliver with the funding identified due to the costs going up on a project.

Post meeting note: Officers acknowledge the wording may not have been clear to everyone reading the submission but to clarify the Denham Way leisure project has followed the agreed project timeline commencing in April 2022. This has included public consultation, a tender process, planning permission and ongoing work with the contractor to finalise designs and costs. The CIL uplift is purely as a result of unprecedented rises in construction costs, which could not have been predicted.

A Member said we have been in a low inflation environment for so long but this had now changed. Was this something which could have been brought to the Committees attention earlier? There are issues around rising costs and because these projects seem to take a long time do we need to think about some sort of reporting back to the Committee.

The Shared Director of Finance advised that is one of the key risks identified in budget monitoring. When the project was started in April it was before the acute spike in inflation so we were not building in the levels of contingency we would do now for projects. We are looking in more detail at contingencies and bringing projects within budget. There will be a big budget risk when we come to set the budget with the high inflation but are building this into our forecasts. We are expecting the level of inflation not to drop until the end of next year at the earliest in line with the Bank of England's forecast.

The Head of Regulatory Services said we are looking at our processes and being able to compare schemes coming in, reviewing the application process and focus around the P&R Committees which are available each year and will have a new criteria as we go forward.

The Shared Director of Finance said to build in a contingency is the way forward but if we do over predict inflation the contingency can be returned to the pot and does not allow for the scheme to be changed to use up the money. Processes we used will be tightened up.

On being put to the Committee the recommendation was declared CARRIED by the Chair the voting being unanimous.

RECOMMEND:

That Members approve CIL funding for the following schemes detailed in Table 1 of this report and summarised in the table below for 2022/2023:

Applicant & Project Name	Infrastructure	CIL Amount
TRDC Leisure Team Denham Way Play Area/ Maple Cross Playing Fields (Appendix 1)	New play area Community pavilion, 3 floodlight tennis courts Outdoor fitness zone MUGA Playing pitch improvements Access pathways Seating formal garden	£86,750.
TRDC Leisure Team South Oxhey Playing Fields (Appendix 2)	Tennis Courts AGP Basketball Court Skate/BMX Park Outdoor Gym Pathways	£93,750.

PR77/22 DISCRETIONARY FEES AND CHARGES 2023/24

The Council regularly reviews the level of fees and charges set for discretionary services and services where charges are set locally. Fees and Charges were last reviewed in autumn 2021 with the latest charges introduced from 1 April 2022.

Where the Council has discretion over the fee or charge, the Council aims to recover the full cost of delivering the service. As such, fees will usually increase in line with cost pressures.

A schedule of proposed fees and charges effective from 1 January 2023 is set out in Appendix 1 and a schedule of fees and charges effective from 1 April 2023 is set out in Appendix 2.

The Shared Director of Finance reported the recommendations the Committee agree need to go to Council. It was proposed to increase discretionary fees and charges for 2023/24 and having full cost recovery following increases in Council costs and due to the high cost of inflation. It is proposed that the increases would take effect from 1 January 2023 which is why these are coming ahead of the budget setting process. There is £1m of additional pressure on the budget due to cost of inflation and post covid.

In response to a question on property investment, the Shared Director of Finance advised that the Council continue to keep our property investments under review and would come back to the Committee if an investment was no longer fit for purpose or didn't provide the returns to support the budget. If the investments were sold that money would be a capital receipt.

A Member asked if the Council had looked at the consequences of increased fees and how this impacts on the Council in other strategies particularly on potential flytipping and bonfires. On some of venue hire charges we should be mindful some people have no choice but to go to that venue. On pest control were Watford BC experiencing higher staff costs and sought clarification on the increased cost for memorial benches and trees.

The Shared Director of Finance said on the increase in garden waste charges the Council do keep a close watch on the demand for the service but every time we put the cost up demand increases and we are not being pushed

outside the market. On pest control Watford BC staff were also receiving the same pay award as us. On Memorial trees and benches there are increased costs in maintaining them as well as buying them but we will continue to monitor the demand. We are experiencing high fuel costs and due to the difficulty in recruiting HGV drivers a market supplement was currently provided.

A Member was not minded to agree with the taxi vehicles and drivers proposed increase due to the reduced taxis on the rank in South Oxhey and did not feel this was the way forward at this time. It was advised the increase was around having cost recovery and the account balancing as we are not able to subsidise it.

A Member said if we did not have the investment income coming in the increases would have been significantly higher and our money would not be earning what it is doing from our investments in a bank account.

A Member understood that pest control was not a statutory duty and wondered what our duty was on this, was the service viable for us to continue to offer it and could officers look into that. On the CPZ permits given that Hertsmere's staff costs have increased and the renewal of the contract was due maybe we need to look at this again. On some of the fees, highlighting pre applications fees, could explanations be provided on why the increase is proposed to be zero?

The Shared Director of Finance advised that we are looking at parking reserves as a whole. The CPZ income is not able to support the more general revenue budget so we will be undertaking a separate review. On pest control we have a contract with Watford BC until the end of 2023/24 but we do have some statutory duties that will remain.

A Member asked about the increase in street naming and numbering and asked if the 7% increase was around cost recovery. The Head of Regulatory Services advised that some of the charges were around new sites but there were still elements around change of addresses/house names by private individuals. The service is costs recovery and there is limitation on what we can include in terms of the elements we can charge for.

The Shared Director of Finance advised they would check before Full Council and if the Council are constrained by legislation we will make sure that is clear in the description.

The Chair moved, duly seconded, the recommendations set out in the report.

On being put to the Committee the motion was declared CARRIED by the Chair the voting being 8 For, 0 Against and 4 Abstentions.

RECOMMEND:

Council is recommended to approve the Fees and Charges set out in the schedule at Appendix 1 to be effective from 1 January 2023

Council is recommended to approve the Fees and Charges set out in the schedule at Appendix 2 to be effective from 1 April 2023

PR78/22

MEMBERSHIP OF THE LOCAL PLAN SUB-COMMITTEE

The Chair advised that Councillor Jon Tankard was to be replaced on the sub-committee but at this time it was not possible to say who by. The Chair agreed to provide details to the Committee in January on the replacement.

RESOLVED:

The name of the new appointment to be provided to the Committee at the January meeting.

PR79/22 WORK PROGRAMME

The Committee's received their work programme.

RESOLVED:

That the work programme be agreed.

PR80/22 EXCLUSION OF PRESS AND PUBLIC

The Chair moved, duly seconded, that if the Committee wished to consider the remaining items in private, it will be appropriate for a resolution to be passed in the following terms:-

"that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined under Paragraph 3 of Part I of Schedule 12A to the Act. It has been decided by the Council that in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

On being put to the Committee the motion was declared CARRIED by the Chair the voting being unanimous.

RESOLVED:

That the Committee move into Part II confidential business.

PR81/22 TO RECEIVE THE RECOMMENDATIONS FROM THE LOCAL PLAN SUB-COMMITTEE

The Committee received the recommendations from the Local Plan sub-committee from its meeting on 7 November.

Councillor Stephen Giles-Medhurst moved, duly seconded, the recommendations as set out in the report with some minor amendments on some sites to be included in the appendices to be presented to Full Council for ratification.

On being put to the Committee the motion was declared CARRIED by the Chair the voting being unanimous.

RECOMMEND:

- Approved and recommends to Full Council the Local Plan Regulation 18: Part Three: Additional Sites for Potential Allocation document as set out in Appendix 1 for public consultation in accordance with the regulations and the Local Development Scheme
- That the following amendments be agreed:

NSS4 - Cedars Village, Chorleywood to be removed as the promoters are now going down the planning application route.

CFS8d Notley Farm, Bedmond Road – subject to suitable access arrangements and allocation of eastern fields to East Lane as an extension to Leavesden Country Park and allotment improvements will be required.

CFS26e - Land to the south west of Kings Langley Estate, Abbots Langley – to ensure the remainder of area south of the M25 should be dedicated open space and woodland.

NSS13 - Land to the rear of The Shires High Elms Lane - Section 106 obligation to provide parkland and woodland in perpetuity would restrict any alternative form of use on site.

That delegated authority be granted to the Head of Planning Policy & Conservation and the Director of Community and Environmental Services in consultation with the Lead Member for the Local Plan to make any minor changes that are required before the documents are published for consultation

That public access to the report be denied until after Full Council (13 December 2022)

That public access to the decision be denied until after Full Council (13 December 2022)

PR82/22

PROPERTY MATTER - MOOR PARK

The Head of Property and Major Projects advised that this report had been prepared in order to obtain approval from the Policy & Resources Committee to agree to a proposed discharge of a legal charge in favour of the Council from the title of Moor Park Golf Club and to approve consent for the grant of an easement to Cadent Gas over part of the Moor Park Golf Course.

It is understood that MPGCL intend to undertake works to replace their existing irrigation system with a more sustainable and water efficient system which is intended to reclaim and recycle grey water (harvest rainwater) and become less dependent on mains water. The financing will be in part dependant on a loan from National Westminster Bank which will require security and as such the removal of the Legal Charge will enable such lending to be secured.

The recommendations on being put to the Committee were declared CARRIED by the Chair the voting being unanimous.

RESOLVED:

Approved the discharge of the Legal Charge from the title of Moor Park Golf Club, by confirming that the state and condition of the buildings presently complies with clause 7.2 of the Transfer (subject to fair wear and tear in relation to works which may have been carried out prior to 2014 in compliance with the 20 year period) – the discharge will be subject to the payment of the Council's reasonable professional fees.

That consent be given to the grant of a Gas pipe easement (The Easement) to Cadent Gas in relation to pre-existing gas pipes and apparatus, this approval will regularise a situation that has been in place for a number of years.

That public access to the report be denied until the issue is resolved.

That public access to the decision be denied until Committee minutes publication.

CHAIR

POLICY AND RESOURCES COMMITTEE – 23 JANUARY 2023

PART I - DELEGATED

5. CLIMATE AND SUSTAINABILITY IMPACT ASSESSMENT TOOL DECISION MAKING (EHoS)

1. Description

- 1.1 The report requests the Committee's approval for use of the Sustainability Impact Assessment Tool as mandatory in policy and project development, decision-making and committee reports.

2 Summary of Main Points

- 2.1 The Council's declaration of a 'Climate Emergency' commits the Council to use all practical means to reduce carbon emissions and lower the environmental impacts of Council services.
- 2.2 Included in the approved Climate Emergency and Sustainability Action Plan is an objective to: *"Embed the climate and ecological emergencies into the culture and decision making of the Council so that the environmental impacts of all council projects, policies, procurements and services are considered."*
- 2.3 A number Local Authorities in the UK have already formally embedded assessment of a range of environmental impacts in to their decision-making processes. Having reviewed a number of such tools, a Climate and Sustainability Implications Assessment Tool has been developed for Three Rivers District Council.
- 2.4 The tool allows officers from a range of disciplines to evaluate the environmental impacts of proposals without needing in-depth technical knowledge.
- 2.5 The tool, with support from the Climate and Sustainability Team, will help officers appraise the environmental implications of their proposed projects or policies early in the decision-making process and help in modifying proposals where necessary to minimise negative impacts and enhance those which are or have the potential to be positive. The results of the tool can then be included in a mandatory 'Environmental Implications' section of any relevant council reports.
- 2.6 Use of the tool for all projects and policies would have the additional benefit of enabling the Council to measure and report on its environmental progress in a consistent way, each year.

3. Policy/Budget Reference and Implications

- 3.1 The recommendation in this report is within the Council's agreed policy and budgets.

4. Staffing

- 4.1 The introduction of the tool will represent a small additional workload for officers preparing reports. The tool has, however, been trialled with officers, been positively received and is supported as a way to provide a consistent approach to consideration of climate change and sustainability in the Councils work.

- 5. Customer Services Centre, Communications & Website Implications**
 - 5.1 None arising from this report
- 6. Financial Implications**
 - 6.1 None arising from this report.
- 7. Legal Implications**
 - 7.1 None arising from this report
- 8. Equal Opportunities Implications**
 - 8.1 None arising from this report
- 9. Implications for staffing, community safety, Public Health Risk and Health and Safety**
 - 9.1 None specific to this report.
- 10. Environmental Implications**
 - 10.1 As set out in paragraphs 2.1 – 2.6
- 11. Recommendations**
 - 11.1 The Committee are asked to agree that the Climate and Sustainability Impact Assessment Tool be used in the decision making process for all relevant policies, projects and procurements so that the climate and sustainability impacts of any action or proposal are fully considered early in the decision-making process and that the tool be a mandatory aspect of the preparation of all committee reports with the exception of planning reports.

Report prepared by: Joanna Hewitson, Climate Change and Sustainability Strategy Manager

Background Documents

[Climate Change and Sustainability Strategy and Action Plan](#)

Appendices

Appendix 1 TRDC Climate and Sustainability Impact Assessment Tool

TRDC Climate and Sustainability Impact Assessment

Score / Colour Code	Impact and Recommendation
Dark green (4)	Strong positive impacts for sustainability. Recommendation to proceed as is with this aspect.
Light green (3)	Some positive impact for sustainability. Recommendation to further enhance this aspect where possible and proceed.
Yellow (2)	Some possible negative impacts for sustainability. Recommendation to review these aspects and find mitigations where possible.
Red (1)	Considerable inconsistency with the council's sustainability objectives. Strong recommendation to review these aspects and find mitigations.
Grey (0)	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.

Guidance for use

Please answer all questions from the drop-down options in the 'Impact' column (C), including 'not applicable' as needed.

Please email your completed copy of the form to
Joanna.Hewitson@threerivers.gov.uk.

Key to the colour coding of answers is given at the top of the page.

Name of project/policy/procurement and date		
Brief description (1-2 sentences):		

Homes, buildings, infrastructure, equipment and energy					
Question	Impact (select from list)	Score (-1 to 4)	Justification or mitigation	Impact (select from list)	Revised Score (1-4)
What effect will this project have on overall energy use (electricity or other fuels) e.g. in buildings, appliances or machinery?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
What effect will this project have on the direct use of fossil fuels such as gas, petrol, diesel, oil?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does this project further maximise the use of existing building space? E.g. co-locating services; bringing under-used space into use; using buildings out-of-hours	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Will any new building constructed or refurbished be highly energy efficient in use? (e.g. high levels of insulation, low energy demand per sq. m., no servicing with fossil fuels such as gas heating, EPC	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does this make use of sustainable materials / unputs in your project? E.g. re-used or recycled construction materials; timber in place of concrete	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does this use more sustainable processes in the creation of the project? E.g. modular and off-site construction; use of electrical plant instead of petrol/diesel,	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Will this increase the supply of renewable energy? e.g. installing solar panels; switching to a renewable energy tariff	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Do any appliances or electrical equipment to be used have high energy efficiency ratings?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Average Score		#DIV/0!			#DIV/0!

Ways to optimise sustainability and work towards net zero carbon:

- Insulate buildings to a high standard.
- Include energy efficiency measures when carrying out refurbishment to deliver improvement in EPC ratings.
- Replace gas boilers with renewable heating, such as heat pumps. Consider District Heat Networks where appropriate.
- Construct new buildings to Passivhaus standard.
- Design and deliver buildings and infrastructure with lower-carbon materials, such as recycled material and timber frames.
- Use construction methods that reduce overall energy use, such as modular, factory-built components, or use of electrical plant on-site.
- Install solar panels or other renewable energy generation, and consider including battery storage.
- Switch to a certified renewable energy provider e.g. utilise power purchase agreements (PPA)
- Use energy-efficient appliances.
- Install low-energy LED lighting.
- Install measures to help manage building energy demand, such as smart meters, timers on lighting, or building management systems.

Travel					
Question	Impact	Score (0-4)	Justification or mitigation	Impact (select from list)	Revised Score (0-4)
Reducing travel: what effect will this project have on overall vehicle use?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Will this project use petrol or diesel vehicles or EV, hybrid?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Will this support people to use active or low-carbon transport? E.g. cycling, walking, switching to electric transport	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Will it be easily accessible for all by foot, bike, or public transport, including for disabled people?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Has the project taken steps to reduce traffic? Using e-cargo bikes; timing activities or deliveries to be outside peak congestion times	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Average Score		#DIV/0!			#DIV/0!

Ways to optimise sustainability and work towards net zero carbon:

- Reduce the need to travel e.g. through remote meetings, or rationalising routes and rounds.
- Share vehicles or substitute different modes of travel, rather than procuring new fleet.
- Specify electric, hybrid, or most fuel efficient vehicles for new fleet or for services involving transport.
- Support users and staff to walk, cycle, or use public transport e.g. with cycle parking, training, incentives.
- Use zero-emission deliveries
- Model and mitigate the project's effect on traffic and congestion e.g. retiming the service or deliveries

Goods and Consumption

Question	Impact	Score (0-4)	Justification or mitigation	Impact (select from list)	Revised Score (0-4)
Has this project considered ways to reuse existing goods and materials to the greatest extent possible, before acquiring newly manufactured ones?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does it reduce reliance on buying newly manufactured goods? <i>E.g. repair and re-use; sharing and lending goods between services or people; leasing or product-as-a-service rather than ownership</i>	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does it use products and resources that are re-used, recycled, or renewable?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does it enable others to make sustainable choices within their lifestyles, or engage people about this?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Is there a plan to reduce waste sent to landfill in manufacture?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Is the material used able to be re-used, re-purposed, or recycled at end of its life?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Has it taken steps to ensure any food it offers is more sustainable? <i>E.g. less and high-quality (high welfare) meat and dairy; minimises food waste; seasonal produce; locally sourced.</i>	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Average Score		#DIV/0!			#DIV/0!

Ecology					
Question	Impact	Score (0-4)	Justification or mitigation	Impact (select from list)	Revised Score (0-4)
space? (Amenity green space = playing fields, play areas, sporting lakes etc. Non-amenity= e.g. woodland, grassland, wetland, gardens, lakes, rivers, ponds etc.)	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does the project create more habitat for nature? E.g. native plants, trees, and flowers	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does it make changes to existing habitats and have a negative impact on nature? <i>E.g. use of pesticides, reduced extent and variety of plants, planting non-native species</i>	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does it help people understand the value of biodiversity, and encourage residents to support it in their private and community spaces?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0		Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Average Score		#DIV/0!			#DIV/0!

Adaptation					
Question	Impact	Score (0-4)	Justification or mitigation	Impact (select from list)	Revised Score (0-4)
Does any planned project, construction or building use include measures to conserve water?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0	Mitigating the use of water by planting at the right time, planting the right specie and use of hydration bags where necessary	Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does anythe project , consider how to sustainably protect people from extreme weather?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0	Hedge restoration, tree planting all positive for flood prevention and shade provision	Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Has any planned building work or infrastructure considered how to mitigate flood risk? <i>E.g. Sustainable Drainage Systems (SuDS); de-paving areas; green roofs</i>	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0	Hedge restoration, tree planting all positive for flood prevention and shade provision	Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Does any planned infrastructure or building work increase the overall footprint of hard surfacing? (as opposed to green or permeable surfacing)	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0	None, opposite	Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Has the project considered its own resilience to future extreme heat, flood risk, or water shortage?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0	right plant, right place, fire risk planning, and planting at the right time will all be done to prevent plant death through extreme	Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Average Score		#DIV/0!			#DIV/0!

Engagement and Influence					
Question	Impact	Score (0-4)	Justification or mitigation	Impact (select from list)	Revised Score (0-4)
Does this project raise awareness and understanding of the climate and ecological emergency, and the steps that people can take?	Neutral or not applicable. Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0	Positive messaging to explain the project will raise awareness in residents	Recommendation to consider how benefits could be achieved in this area, but otherwise proceed.	0
Average Score		#DIV/0!			#DIV/0!
Total Overall Average Score		#DIV/0!			#DIV/0!

Ways to optimise sustainability and work towards net zero carbon: <ul style="list-style-type: none"> - Procure goods through sharing, leasing, or product-as-a-service models rather than ownership. - Use pre-owned and reconditioned goods, and reduce reliance on procuring new goods. - Use recycled materials, and procure items that can be reconditioned or recycled at end-of-life. - Use lifecycle costing in business cases to capture the full cost of operation, repair and disposal of an item. - Ensure meat and dairy is high-quality, high-welfare. - Design waste, including food waste, out of business models e.g. separating (and composting) food waste; replacing single-use items with reusable items. - Use contact points with residents, community groups and businesses to engage and enable them to adopt low-waste, low-carbon behaviours.

Ways to optimise sustainability and work towards net zero carbon: (Seek advice from Landscapes Team if required) <ul style="list-style-type: none"> - Avoid converting green space to hard surfacing. - Use underutilised space for planting, such as green roofs and walls. - Plant native plants and perennials, rather than non-native ornamental species, to encourage biodiversity. - Reduce trimming of grass and hedges, and avoid use of synthetic pesticides. - Provide space for animals e.g. long grass areas, bird boxes, bat boxes, 'insect hotels', ponds, hedgehog hides and passages, log piles - Consider the ecological impacts from manufacture and use of procured goods, e.g. water pollution; water consumption; land use change for farming; pesticide use; organic/regenerative farming methods
--

Ways to optimise sustainability and work towards net zero carbon: <ul style="list-style-type: none"> - Install water-saving devices in taps, showers and toilets - Re-use grey water in new developments - Capture and re-use rainwater where possible e.g. water butts for use in car washing, watering garden, toilets - Ensure all new building or refurbishment (especially of homes) models and mitigates future overheating risk, with adequate ventilation and shading - Avoid increasing areas of hard surfacing. - Convert hard surfacing to green and permeable surfacing where possible, and install Sustainable Drainage systems (SUDS). - Plant drought-tolerant plants and mulch landscapes to avoid water loss through evaporation.
--

Ways to optimise sustainability and work towards net zero carbon: <ul style="list-style-type: none"> - 'Make every contact count', by using contact points with residents, businesses and community groups to promote understanding of the climate emergency.

Now assesment is complete copy and paste box into your business case, committee report. (under environmental implications 6). Whole assesment can be an appendix. Procurement tenders are expected to submit complete report with application.

Climate and Sustainability Impact Assessment Summary	
Homes, buildings, infrastructure, equipment and energy	#DIV/0!
Travel	#DIV/0!
Goods and Consumption	#DIV/0!
Ecology	#DIV/0!
Adaptation	#DIV/0!
Engagement and Influence	#DIV/0!
Total Overall Average Score	#DIV/0!

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POLICY AND RESOURCES COMMITTEE – 23 JANUARY 2023

PART I – DELEGATED

6. FIT AND PROPER PERSON ASSESSMENT POLICY

(EHoS)

1 Summary

- 1.1 To propose to Committee a new Fit and Proper Person Assessment Policy to ensure the Council's compliance in its duties to the residents of Mobile Homes Sites in the District.
- 1.2 The full policy is contained in Appendix A.

2 Details

- 2.1 The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 prohibit the use of land as a residential mobile home site unless the local authority is satisfied that the owner or manager of this site is a fit and proper person.
- 2.2 The purpose of this fit and proper person test is to improve the standards of mobile home site management.
- 2.3 This legislation requires current and future site owners or site managers of Mobile Home Sites in the district to apply to the Council to be assessed as a fit and proper person and to be included on a register of fit and proper persons.
- 2.4 Following an application, the Council will be required to make a decision on whether an owner or manager of a site is a fit and proper person based on the information provided, therefore the adoption of a policy to oversee this decision is required.
- 2.5 The Policy will clearly outline to an applicant what will be taken into consideration by the Council whilst assessing their application.
- 2.6 The Fit and Proper Person Assessment Policy has been drafted in line with UK Government guidance that has been provided to Local Authorities and sets out the following;
 - 2.6.1 Who must apply to the Council for an assessment as a fit and proper person and individuals or sites that may be exempt from this requirement;
 - 2.6.2 A reference to the Council's Fit and Proper Person Fee Policy that sets out the fee that will be applicable to any applicant on the submission of their application;
 - 2.6.3 The information that a site owner or site manager will be required to submit to the Council before an assessment will be undertaken;
 - 2.6.4 What the Council will consider when making a decision if a site owner or manager of a site is a 'Fit and Proper Person';
 - 2.6.5 What decisions that the Council can make following an application for assessment, how further representations to the Council can be made following a decision and how any decision will be issued to the site owner or site manager;

- 2.6.6 How the site owner or manager can appeal any decision made by the Council;
- 2.6.7 How the Council will maintain a register of persons they are satisfied are fit and proper persons to manage a relevant protected site within the district and how this register can be viewed by members of the public;
- 2.6.8 How often the Policy will be reviewed and if required, updated, to reflect changes in legislation, UK Government guidance or changing local needs.

3 Options and Reasons for Recommendations

- 3.1 It is recommended that the Council adopt this Policy to enable officers to make guided decisions in their assessment of a Fit and Proper Person in relation to the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020.
- 3.2 It is recommended that the Council adopt this Policy so that any applicant to the Council for a Fit and Proper Person Assessment will be clearly informed on what the Council will take into consideration whilst making this decision.
- 3.3 Decisions taken with reference to this Policy will enable the creation of a Fit and Proper Person Register to be maintained by the Council and will ensure the Council complies with relevant legislation.

4 Policy/Budget Reference and Implications

- 4.1 The proposed recommendations in this report are within the Council's agreed policy and budgets.

5 Equal Opportunities, Environmental, Community Safety, Public Health, Customer Services Centre, Risk Management and Health & Safety Implications and Health & Safety Implications

- 5.1 This Policy will enable the Council to ensure that residents of Mobile Home Sites in the district reside in sites that are managed by a site owner or manager that the Council can be confident is a 'Fit and Proper Person'.
- 5.2 An Equality Impact Assessment (EIA) has been completed and been signed off by the Head of Community Partnerships. This EIA will be reviewed one year from implementation to assess any equalities impacts.
- 5.3 A Data Protection Impact Assessment (DPIA) has been completed for this Policy.

6 Financial Implications

- 6.1 None specific.

7 Legal Implications

- 7.1 Approval of the Fit and Proper Person Application Policy will ensure Council compliance with relevant legislation.

8 Communications and Website Implications

- 8.1 The Policy will be added to the website.
- 8.2 A register of 'Fit and Proper' Persons will be added to the Council's website.

9 Risk and Health & Safety Implications

- 9.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.
- 9.2 Any risks resulting from this report will be included in the risk register and, if necessary, managed within this/these plan(s).

10 Recommendation

- 10.1 That this Policy is adopted by the Committee.

Report prepared by: Jason Hagland, Strategic Housing Manager

Data Quality

Data sources: None

Data checked by: N/A

Data rating: N/A

1	Poor	N/A
2	Sufficient	N/A
3	High	N/A

Background Papers

APPENDIX A: Fit and Proper Person Assessment Policy January 2023

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Three Rivers District Council

Fit and Proper Person Assessment Policy

January 2023

CONTENTS

- 1. Introduction**
- 2. Fee Structure**
- 3. Information required by the Council**
- 4. Assessment of a 'Fit and Proper Person'**
- 5. Decision**
- 6. Appeal Process**
- 7. Register of Fit and Proper Persons**
- 8. Complaints**
- 9. Review Period**

1. Introduction

- 1.1 A relevant protected site is a site, which requires a licence, which is not solely for holiday purposes or is otherwise not capable of being used all year round. A relevant protected site cannot operate unless the local authority is satisfied that the manager qualifies as a fit and proper person, Sections 12A -12E of the Caravan Sites and Control of Development Act 1960, as implemented by Section 8 Mobile Homes Act 2013.
- 1.2 The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 (hereafter the Regulations) introduce a fit and proper person assessment (FPPA) for mobile home site owners or the person appointed to manage the site (a relevant person).
- 1.3 All site owners must apply to the Council to be assessed as fit and proper persons, or the person they have appointed to manage the site assessed to be fit and proper persons, to be included on the register.
- 1.4 Where the site owner is not an individual (no relevant person), the application must be made by a relevant officer.
- 1.5 A relevant officer is defined in paragraph 1 of Schedule 2 of the Regulations, where the applicant is:
 - a company, a relevant officer will be a director or other officer of the company
 - a partnership, a partner
 - a body corporate, a member of the management committee of that body
- 1.6 Fees may be charged for assessing applications to enable the Council to recover the costs of this activity. These fees are listed in the Council's Fit and Proper Person Fee Policy.
- 1.7 Any charges relating to the Fit and Proper Person function will be limited to recovering the costs of exercising that function. Both the level of fees and how they are charged are, subject to legal restrictions, at the discretion the Council and are covered in the Council's Fit and Proper Person Fee Policy.
- 1.8 The exemptions from the requirement for the owner of a site to apply for a FPPA are as follows;
 - a site that is only occupied by members of the same family
 - a site that is not being run as a commercial residential site
 - a site occupied by and managed by the Council

2. Fees Structure

- 2.1 In setting the fees that the Council charge, the Council has had regard to the Regulations and the relevant guidance issued by the Government.
- 2.2 The structure of fees to be charged can be found in the Council's Fit and Proper Person Fee Policy.

3. Information required by the Council

- 3.1 As part of the application process, the site owner will be required to provide the following information to the Council;
 - the name and business contact details of the site owner
 - where the site owner is an organisation, the individual completing the form must provide for themselves and each relevant officer of the organisation, their name and details of their role (if any) in relation to the management of the site
 - the name and address of the site
 - evidence of the site owner's legal estate or equitable interest in the site
 - confirmation that the site owner is the occupier within the meaning of section 1 of the Caravan Sites and Control of Development Act 1960
 - the name and business contact details of any other person that has a legal estate or equitable interest in the site. An equitable interest entitles a person – such as the beneficiary of a trust - to the benefit from the land whether or not they are recorded as a legal owner. This information will help the Council to determine as part of its assessment whether the conduct of any of those persons is relevant to the question of whether the person subject to the assessment is a fit and proper person to manage the site
 - the name and address of each other relevant protected site(s):
 - for which the site owner holds a licence issued under section 3 of the Caravan Sites and Control of Development Act 1960
 - in which the site owner has a legal estate or equitable interest; or
 - that the site owner manages
 - whether the application for inclusion in the register is made in respect of the site owner or a person that the site owner has appointed to manage the site and the status of that relevant person in relation to the relevant protected site
 - a DBS check that has been issued no more than 6 months before the date of application.

4. Assessment of a 'Fit and Proper Person'

- 4.1 To confirm that the 'relevant person' is a fit and proper person to manage the site and to add them to the register, the Council will consider the following;

- past compliance with site licence
- the long-term maintenance of the site
- whether the relevant person has the sufficient level of competence to manage the site
- the management structure and funding arrangements for the site or proposed management structure and funding arrangements

4.2 The Council will also consider whether the relevant person;

- has the right to work in the United Kingdom
- has committed any offence involving fraud or other dishonesty, violence, arson or drugs or listed in Schedule 3 of the Sexual Offences Act 2003 (offences attracting notification requirements)
- has contravened any provision of the law relating to housing, caravan sites, mobile homes, public health, planning or environmental health or of landlord or tenant law
- has contravened any provision of the Equality Act 2010 in, or in connection with, the carrying on of any business
- has harassed any person in, or connection with, the carrying on of any business
- has had an application rejected by another authority
- is, or has been within the past 10 years, personally insolvent
- is, or has been within the past 10 years, disqualified from acting as company director

4.3 The Council may also consider the conduct of any person associated or formally associated with the relevant person (whether on a personal, work or other basis), if it appears that person's conduct is relevant.

4.4 The Council reserve the right to consider any evidence on any other relevant matters.

5. Decision

5.1 Once an application has been received by the Council, the Council will consider the application and a decision will be made as soon as reasonably practicable. In making this decision, the Council will take into account all of the relevant considerations.

5.2 The weight given to each relevant consideration is a matter for the Council and after considering an application, the Council will be required to make one of three decisions;

- to include the relevant person on the register unconditionally for five years
- to include the relevant person on the register subject to certain conditions
- not to include the relevant person on the register

5.3 Where the Council is satisfied that the relevant person meets the fit and proper requirements, the relevant person will be added to the register. The entry on the register has effect for such period as the Council decides,

however this period may not exceed 5 years. The Council will issue a final decision notice to the site owner to inform them of its decision that sets out the following;

- the date the final decision notice is served
- the final decision
- the reasons for the decision
- when the decision takes effect
- information about the right of appeal to the First Tier Tribunal (FTT) and the period within which any appeal may be made

5.4 Where the Council makes the decision to include the relevant person on the register for less than 5 years or subject to conditions or not to include the relevant person on the register, the Council will issue a preliminary decision notice to the site owner.

5.5 This preliminary notice will set out the following;

- the date the preliminary decision notice is served
- the preliminary decision
- the reasons for it
- the date it is proposed that the final decision will have effect
- information about the right to make written representations
- where the preliminary decision is to refuse the application, the consequences of causing or permitting the land to be used as a relevant protected site in contravention of the Regulations and
- where the preliminary decision is to grant the application subject to conditions, the consequences of failing to comply with any condition

5.6 Any site owner that receives a preliminary notice will have 28 days to make further representations to the Council. The Council will consider these representations before making a final decision.

5.7 Following the end of the 28-day period of representation, as soon as reasonably practicable the Council will issue a final decision and serve this final decision notice on the site owner.

6. Appeal Process

6.1 The person on whom the Council has served a final decision notice may appeal to the First Tier Tribunal against any decision to:

- include the relevant person on the register for an effective period of less than 5 years
- include the relevant person on the register subject to conditions
- reject the application

6.2 If the site owner decides to appeal the decision, this must be made to the First Tier Tribunal within 28 days.

7. Register of Fit and Proper Persons

- 7.1 As per legislative requirements, the Council will establish and keep up to date a register of persons who they are satisfied are fit and proper persons to manage a relevant protected site in their area. The register will be open to inspection by members of the public at the Council Office during normal office hours and the register will be published on the Council's website.

8. Complaints

- 8.1 Any complaints to the Council about the service received throughout this application process should be made in line with the Council's Corporate Compliments and Complaints Policy that can be found [here](#).

9. Review Period

- 9.1 This policy will be reviewed in line with any significant change in legislation, guidance issued by government or significant case law. In any case, it will be reviewed every three years.

POLICY AND RESOURCES COMMITTEE – 23 JANUARY 2022

PART I - DELEGATED

7. FIT AND PROPER PERSON FEE POLICY

(EHoS)

1 Summary

- 1.1 To propose to Committee a new Fit and Proper Person Fee Policy to set out the fees that the Council will charge for any application for an assessment as a Fit and Proper Person to manage a relevant protected site within the district as per the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020.

- 1.2 The full policy is contained in Appendix A.

2 Details

- 2.1 The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 prohibit the use of land as a residential mobile home site unless the local authority is satisfied that the owner or manager of this site is a fit and proper person.
- 2.2 The purpose of this fit and proper person test is to improve the standards of mobile home site management.
- 2.3 The legislation requires current and future site owners or site managers of Mobile Home Sites in the district to apply to the Council to be assessed as a fit and proper person and to be included on a register of fit and proper persons.
- 2.4 Following an application, the Council will be required to make a decision on whether an owner or manager of a site is a fit and proper person based on the information provided.
- 2.5 The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 enable the Council to charge a fee for this assessment, however the Regulations are clear that the Council should not make any profit from this fee and should only charge a predicted level of expenditure to undertake this assessment.
- 2.6 It is estimated that the time taken to process an application will be 300 minutes of officer time.
- 2.7 It is anticipated that this application will be processed by the Senior Housing Enforcement Officer. The rate of pay for this officer at the top of their pay scale is £18.18 per hour. With the addition of National Insurance contributions and Employer Pension contributions, this rate of pay increases to £23.99 per hour.
- 2.8 Therefore the fee to be charged for an application for assessment as a Fit and Proper Person will be £120.00. (5 hours x £23.99).
- 2.9 The Fit and Proper Person Fee Policy also sets out the following;
- 2.9.1 The Council will not consider any application for assessment until this fee has been received;

- 2.9.2 The Council will not charge the applicant for any preliminary advice they receive before the application has been received;
- 2.9.3 If the Council decides to not approve any application or the applicant decides not to continue with an application, the applicant will not be entitled to a refund;
- 2.9.4 Subject to consent of the site owner, should the Council appoint an individual to manage a site, these costs will be recovered from the site owner;
- 2.9.5 The Council do not propose to implement an annual fee, however, this will be subject to review.

3 Options and Reasons for Recommendations

- 3.1 It is recommended that Committee adopt this Policy as this is a requirement for the Council to produce this Policy as per the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020.
- 3.2 This Policy will enable the Council to recover the costs that will be incurred following an application for an assessment of a Fit and Proper Person.

4 Policy/Budget Reference and Implications

- 4.1 The proposed recommendations in this report are within the Council's agreed policy and budgets.

5 Equal Opportunities, Environmental, Community Safety, Public Health, Customer Services Centre, Risk Management and Health & Safety Implications and Health & Safety Implications

- 5.1 This Policy will enable the Council to ensure that residents of Mobile Home Sites in the district reside in sites that are managed by a site owner or manager that the Council can be confident is a 'Fit and Proper Person'.
- 5.2 An Equality Impact Assessment (EIA) has been completed and been signed off by the Head of Community Partnerships. This EIA will be reviewed one year from implementation to assess any equalities impacts.
- 5.3 A Data Protection Impact Assessment (DPIA) has been completed for this Policy.

6 Financial Implications

- 6.1 None specific.

7 Legal Implications

- 7.1 Approval of the Fit and Proper Person Fee Policy will ensure Council compliance with relevant legislation.

8 Communications and Website Implications

- 8.1 The Policy will be added to the website.
- 8.2 A register of 'Fit and Proper' Persons will be added to the Council's website.

9 Risk and Health & Safety Implications

- 9.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.
- 9.2 Any risks resulting from this report will be included in the risk register and, if necessary, managed within this/these plan(s).

10 Recommendation

- 10.1 That this Policy is adopted by the Committee.

Report prepared by: Jason Hagland, Strategic Housing Manager

Data Quality

Data sources: None

Data checked by: N/A

Data rating: N/A

1	Poor	N/A
2	Sufficient	N/A
3	High	N/A

Background Papers

APPENDIX A: Fit and Proper Person Fee Policy January 2023

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Three Rivers District Council

Fit and Proper Person Fee Policy

January 2023

CONTENTS

- 1. Introduction**
- 2. Fees for Fit and Proper Persons Register Applications**
- 3. Annual Fee for an existing entry on the Fit and Proper Person Register**
- 4. Appointed Manager Fee**
- 5. Review Period**

1. Introduction

- 1.1 A relevant protected site is a site, which requires a licence, which is not solely for holiday purposes or is otherwise not capable of being used all year round. A relevant protected site cannot operate unless the local authority is satisfied that the manager qualifies as a fit and proper person, Sections 12A -12E of the Caravan Sites and Control of Development Act 1960, as implemented by Section 8 Mobile Homes Act 2013.
- 1.2 A site owner under the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 (SI 2020/1034) (the Regulations) must apply to their local authority for the relevant person (themselves or their appointed manager) to be added to the register of fit and proper persons managing sites in their area (the register).
- 1.3 The site owner may only apply to be added to the register if they hold, or have applied for, a site licence for the site. This provision also applies where the site owner or site manager is a registered company.
- 1.4 The Regulations permit the Council to determine the fee for an application or registration for someone to be added to the register. It is imperative that the fee is included with the application and failing to include this may mean that the site owner is in breach of the requirements of the Regulations.
- 1.5 Site owners will be required to submit a completed application and pay the fee, outlined below, to the Council, which will also include any additional fees such as an annual site fee.

2. Fees for Fit and Proper Persons Register Applications

- 2.1 The Council believes that the Fit and Proper Person assessment and/or checks to be included on the fit and proper person register will take a total of 300 minutes per application. This time of 300 minutes will include updating and publishing the register of Fit and Proper Persons.
- 2.2 Checks are to be carried out by the Senior Housing Enforcement Officer or Housing Enforcement Officer, as a result of this an hourly rate of £23.99 will be applied. Therefore, the full fee for an application for a Fit and Proper Person Assessment will be £120.00.
- 2.3 The Council have taken into account the following matters on which costs are incurred, or likely to be incurred (by various departments, including costs incurred by outsourcing contracts), in determining this policy for consideration of applications for entry on a fit and proper person register;
 - Initial enquiries;
 - Letter writing or telephone calls etc. to make appointments and

requesting any documents or other information from the site owner or manager or from any other third party in connection with the fit and proper person assessment process;

- Sending out forms;
- Updating files/computer systems and website;
- Processing the application fee;
- Land registry searches;
- Time for reviewing necessary documents and certificates;
- Preparing final and preliminary decision notices;
- Review by manager and legal; review any representations made by applicants or responses from third parties;
- Updating the public register;
- Carrying out any risk assessment process considered necessary
- Reviews of decisions or in defending appeals
- Outstanding licensing issues and debts
- Undertakings

2.4 Charges will be limited to recovering the costs of exercising the Fit and Proper Person Test function only and not any other costs that have already been charged for by other service areas.

2.5 The Council will be required to conduct relevant background checks regarding the applicant's background in management and their financial standing. The results of these checks will allow the Council to decide on whether or not to accept the application. The time taken for these checks shall be accounted for in the fee, irrespective whether or not the entry on the register is granted.

2.6 The Council will not consider any application until the full application fee has been received.

2.7 Any preliminary advice the Council provides before any application is accounted for in the fee and will not be charged for separately.

2.8 If the Council decides not to approve any application or the applicant decides not to continue with an application, the applicant will not be entitled to a refund.

3. Annual Fee for an existing entry on the Fit and Proper Person Register

3.1 The Council do not propose to implement an annual fee at this time.

4. Appointed Manager Fee

4.1 Should the Council be provided with the consent of a site owner to appoint an individual to manage a site, these costs will be recovered from the site owner.

5. Review

- 5.1 The Fit and Proper Person Fee Policy will be reviewed every 3 years from implementation. This review will assess and incorporate any changes that need to be made to the Policy, however a full review of the fee levels detailed within this Policy will be undertaken every 12 months as part of the Council's annual Review of Fees and Charges.

POLICY AND RESOURCES COMMITTEE – 23 JANUARY 2023

PART I - NOT DELEGATED

8. FINANCIAL PLANNING – REVENUE SERVICES (DoF)

1 Summary

- 1.1 The purpose of this report is to enable the Policy and Resources Committee to recommend to the Council the updated revenue budget for 2022/23, proposed revenue budget for 2023/24 and indicative revenue budget for 2024/25 and 2025/26. These budgets form the Council's Medium Term Financial Plan (MTFP).
- 1.2 The report includes the budget monitoring information for the period to November 2022. The key changes from the original budget that was set in February 2022 are linked to inflation, including the pay ward and cost of fuel and utilities, and the legacy impact of COVID-19 on income levels from the leisure management contract.
- 1.3 The Government has once again postponed local government finance reforms, including the business rate reset and 'Fair Funding' and has now confirmed that these will not occur within the current parliament so will be implemented from 2025/26 at the earliest. The Council is likely to lose resources as a result of these changes so the overall position has improved as a result of this in the first two years of the MTFP. The future of New Homes Bonus and other government grants remains uncertain beyond 2023/24. From 2024/25, district councils are expected to receive an additional source of income as a result of the introduction of 'producer pays' charges in relation to waste, the Government has indicated that, as a result, district council funding will be reviewed in early 2023/24.
- 1.4 The 2023 revaluation of non-domestic properties undertaken by the Valuation Office Agency (VOA) has resulted in significant increases to the rateable value of business premises within the district. Due to the likelihood of appeal, this increases the likelihood of volatility within the retained business rates for 2023/24 and 2024/25 which will be managed through the Collection Fund Reserve.
- 1.5 The continued uncertainty about the level of resources available to the Council in future years is only part of the picture. In common with all Councils, businesses and households there is also significant uncertainty about the costs that will be incurred over the MTFP due to pervasive and persistent inflation. The Council holds a sufficient level of reserves to manage the uncertainty around both funding and expenditure across the MTFP.
- 1.6 The table below summarises the key changes in the MTFP compared to that previously agreed. The detailed changes are set out in Appendix 4 by Service Committee.

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Budget Gap as per MTFP Approved February 2022	340	596	645	645
Changes in net Expenditure:				
Previously Agreed Changes through in year budget monitoring	1,767	637	620	620
Growth Bids		65	81	81
Contingency for pay award		0	0	275
Employer Pension Contribution 1% reduction		(100)	(100)	(100)
Service Efficiencies		(146)	(321)	(329)
Fees and Charges Budget Uplift		(364)	(364)	(364)
Capital Financing Charges		174	174	174
Specific Grants Rolled into RSG		75	75	75
Other Service Variances reported in this report	(267)	77	45	(287)
Total Changes in Net Expenditure	1,500	418	208	144
Changes in Taxation and Grant Funding:				
Council Tax		(43)	(116)	(397)
Business Rates		(350)	(350)	0
Council Tax Collection Fund Deficit		95	0	0
Grant Funding		(368)	(62)	(62)
Planned Use of Economic Impact Reserve	(463)	(183)	(148)	(148)
Total changes in Taxation and Grant Funding	(463)	(850)	(675)	(607)
Revised Gap	1,377	164	178	182
Net Change	1,037	(432)	(467)	(463)

2 Details

- 2.1 Officers have prepared a three-year Medium Term Financial Plan (MTFP) base budget for 2023/24 to 2025/26 which includes a revised estimate for the current year. This is attached at **Appendix 1**.

2022/23 Forecast Position

- 2.2 The original net revenue budget for 2022/23 was **£13.188m**. The latest approved budget is **£14.954m** (approved by Council on 13 December 2022). The increase in budget approved to date has largely been due to the impact of COVID-19, including loss income from the Leisure Contract Management fee. The table below shows the approved changes to date and the variances reported for this period (end of November) to give a forecast outturn position of **£14.687m**.

Net Revenue Budget 2022/23	£000
Original Net Revenue Budget	13,188
Variances Previously Reported	1,766
Latest Approved Budget	14,954
Service Variances Reported This Period	(267)
Forecast Outturn position	14,687

- 2.3 At the end of November, Services show an estimated favourable variance of **(£0.267m)**. The budget will be changed to reflect this outturn forecast if approved at Council.

2022/23 Revenue Account – General Fund Summary					
Service Area	Original Budget	Latest Budget	Net Spend to Period 8	Forecast Outturn	Variance
	£000	£000	£000	£000	£000
Leisure, Environment and Community	4,555	5,223	756	5,524	301
Infrastructure, Housing and Economic Development	1,436	1,582	(664)	1,409	(173)
Policy & Resources	4,995	5,948	4,257	5,546	(402)
Total Services	10,987	12,753	4,348	12,479	(274)
Corporate Costs (Interest, Parish precepts)	2,201	2,201	3,106	2,208	7
Net General Fund	13,188	14,954	7,454	14,687	(267)

2.4 **Appendix 2** details each service committee's net direct revenue budgets over the medium term. The table below shows the net direct expenditure budgets, actuals to date, forecast outturn and variance for each service committee.

2.5 The main items that contribute to the net favourable services variance of £0.267m are set out in the following table:

	£000
1. 2022/23 Pay Award	810
2. Salary Contingency	(810)
3. Increased income from Planning Application Fees, Pre-Application advice and CIL admin	(220)
4. Homelessness – Use of Grant funding	(50)
5. Increased income from Refuse Trade, Garden Waste and Kerbside Recycling	(63)
6. District Elections – no ability to share costs	50
7. Parliamentary Elections – loss on December 2019 Election	19
8. Other	(3)
Total	(267)

The details of all the service variances over the medium term are shown at **Appendix 4**

2023/24 to 2025/26 - The Medium Term Financial Plan (MTFP)

2.6 Looking ahead over the next three years, the MTFP has been prepared against the continued backdrop of uncertainty about government funding, rising demand for services and increasing expectations from stakeholders for levels of service provision.

2.7 The Provisional Local Government Settlement, which provides details of central government funding to local authorities, was published on 19 December. This was a one year settlement providing detailed funding information for 2023/24 only. This means that grant funding beyond 2023/24 remains uncertain. Further detail is provided in section 4 below.

2.8 The MTFP includes a budget to provide for a 2% pay award in each financial year. This assumption mirrors the Bank of England's (BoE) target for inflation. The formal pay award for 2022/23 has been agreed and implemented and future year pay awards will be subject

to negotiation. There is a risk that the pay award could be higher as the increase to cost of living is well above the BoE target. However, any increase will need to balance against affordability for the sector, and Government public sector austerity targets, as any pay award will need to be funded from existing budgets.

- 2.9 Services have worked hard during the budget setting process to keep budget growth to a minimum and remain within their budget limits without affecting service delivery. Unavoidable growth relating to policy commitments and statutory or contractual requirements has been included in the base budgets.
- 2.10 The budget includes planned service efficiencies totalling £0.796m over the MTFP. The detailed proposals are set out in **Appendix 3**
- 2.11 Appendix 4 includes the variances reported for the current period (end of November) that affect all years. The effect of all variances on the Council's (surplus)/deficit for the year and the resulting forecast general fund balance over the medium term is shown below:

Movement on General Fund	2022/23 Forecast Outturn £000	2023/24 Indicative Budget £000	2024/25 Indicative Budget £000	2025/26 Indicative Budget £000
Balance at 1 April	(5,364)	(3,987)	(3,823)	(3,644)
(Surplus)/deficit for year	1,377	164	178	182
Balance at 31 March	(3,987)	(3,823)	(3,644)	(3,462)

- 2.12 It is recommended that a balance of at least £2.000m should be retained in the General Fund to enable the Council to manage unexpected cost pressures or shortfalls in income. The Council has an additional earmarked reserve, the Economic Impact Reserve (EIR), to manage risk. This is forecast to be £1.451m at the end of March 2023 and is available to manage future economic downturn or loss of business rates. It is assumed that £0.421m will be utilised from the EIR over the MTFP to manage the reduction in income from the leisure management contract following the reprofiling of the management fee to reflect the legacy impact of COVID-19 on activity levels.
- 2.13 The long term use of reserves to offset deficits is not sustainable or prudent. However, the forecast indicates that general balances will remain well above the risk assessed level of £2.000m over the MTFP period after taking account of meeting the budgeted deficit from general balances in 2023/24, 2024/25 and 2025/26. The budget gap in the final year of the MTFP is largely due to assumptions about reform of local government funding, including business rate reset. If this is further delayed this will bring the budget into surplus in 2025/26. The forecast balance on each revenue and capital reserve at the 31 March 2023 is shown at **Appendix 6**.

3 Fees, Charges and Rents

- 3.1 The Council set its fees and charges for 2023/24, effective from 1 January 2023, on 13 December 2022. The Council is also required to review and set the rent for Council garages for 2023/24. The proposed increase in rents for garages are 11% for garages that have been refurbished and 5% for those that have not been refurbished. Rents are set at different rates depending on the location, size and condition of the garages. Proposed rents range from £22.05 to £27.72 per week. The complete rent schedule is provided in **Appendix 7**.

4 Funding the Revenue Budget

- 4.1 The overall Council Medium Term Financial Plan (MTFP) at **Appendix 1** indicates a budget requirement (net expenditure) for 2023/24 of **£13.641m**. This will be funded from a number of sources, which are detailed in the following paragraphs.
- 4.2 On 12 December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) issued the [‘Local government finance policy statement 2023/24 to 2024/25’](#). The statement was intended to provide councils with ‘greater certainty on key aspects of their funding’ recognising that ‘it is incredibly important for their budget setting process and their ability to plan for the future.’
- 4.3 The policy statement confirmed the increased flexibility for Council Tax outlined in the Chancellor’s Autumn Statement on 17 November 2022 which increased the referenda limit by 1% to 3% or more than £5 (whichever is the greater).
- 4.4 The statement set out that there would also be changes to settlement grants. The Services Grant will be reduced from 2022/23 allocations to remove the compensation for the increase in National Insurance Contributions which was reversed from 6 November 2022 following the mini budget on 23 September 2022. The Lower Tier Services Grant has also been repurposed to create a new one-off funding guarantee to ensure that all authorities achieve a 3% increase in their Core Spending Power before Council tax increases. This is intended to help authorities manage inflationary pressures.
- 4.5 It was also confirmed that there would be a new round of New Homes Bonus payments in 2023/24 but that this is a one off allocation and will not attract legacy payments for future years.
- 4.6 For 2024/25, the policy statement confirmed that the core settlement will ‘continue in a similar manner’ with the continuation of major grants, business rates pooling and council tax referendum principles. However, there is no confirmation about the future of the Services Grant, Funding Guarantee Grant or New Homes Bonus.
- 4.7 In addition, the government has committed to reviewing the position of funding for lower tier authorities ahead of the 2024/25 settlement taking into account the impact of the Extended Producer Responsibility for packaging (pEPR) scheme. The scheme is expected to be introduced in 2024/25 and will bring a significant new funding stream for lower tier authorities. His Majesty’s Treasury (HMT) and Department for Environment, Food and Rural Affairs (DEFRA) will be assessing the impact of the income of the relative needs and resources of local authorities in the coming year to factor into the 2024/25 settlement. At this stage, with limited information available, it is not possible to assess the impact of the scheme on the Council’s funding position and no assumptions have been factored into the proposed MTFP.
- 4.8 The statement confirms that the ‘Fair Funding Review’, which was originally planned for implementation in 2019/20, will not take place within the period of the current parliament but the implementation of proposed reforms remain a real prospect for 2025/26. The proposals include plans for Councils to increase the percentage of business rates they keep from 50% to 75% and would establish new baseline funding levels for each local authority that takes account of both the needs of local authorities and the resources available to local authorities. As the Council has a strong tax base it is likely that funding reform will result in an overall reduction to government funding and prudent estimates have been included for 2025/26.
- 4.9 [The Provisional Local Government Finance Settlement 2023/24](#) was published on 19 December 2022. This confirmed the approach outlined in the policy statement and provided detailed grant allocations for 2023/24 which are set out below.
- 4.10 The Provisional Settlement is subject to consultation which closes on 16 January 2023 with the final settlement expected in February 2023.

Business rates

- 4.11 Business rates are collected by the Council, and the proceeds are shared between the District and County Council, and also with central Government to fund services. There is an element of risk and reward involved in the Business Rates scheme, which is designed to incentivise Councils to promote business growth within their areas. The Council expects its share of business rates to be **£2.595m** in 2023/24 (including £0.600m in retained growth) with a further **£0.224m** received in Section 31 grant. The section 31 grant compensates local government for the freezing of the Business Rates Multiplier in line with the standard Consumer Price Index (CPI). The business rates retention scheme is volatile and estimating the outturn is complex due to factors such as appeals, demolitions, new builds, occupation and reliefs.
- 4.12 Alongside the delay to the implementation of the Fair Funding Review, the Government has also postponed the planned business rate reset, originally planned for implementation in 2019/20 to after the current parliament. When implemented, this will reduce the amount of growth that can be retained in the local share and prudent estimates have been included for this for 2025/26.
- 4.13 2023 has seen a revaluation of non-residential properties by the Valuation Office Agency (VOA) for business rate purposes. The impact on Three Rivers has been the biggest in the country with a 59.5% increase in the business rate base. The next largest increase is South Bucks at 38.3%. In fact, Hertfordshire has four of the five largest national increases driven mainly by the film and tv studios within the county. Warner Brothers accounts for almost half of Three Rivers increase.
- 4.14 There are two key impacts of the revaluation. The first is an increase in the levy rate that would be payable on the Hertfordshire pool. The levy determines the amount any business rate growth that has to be paid over to central government and this figure has increased from 4.4% to 22.6%. This reduces the benefits of the pool whilst increasing the downside risk. As a result, unless DLUCH change the Levy rate, pooling is not recommended for Hertfordshire for 2023/24. The net impact is a reduction in resources of £0.200m after building in additional growth.
- 4.15 The second impact of such large increases in the business rate base, in particular in relation to a single business, is the risk of appeals. The Government has made changes to the baseline and other elements of the business rate system to ensure that authorities are in the same place financially they would have been had the revaluation not taken place. Individual local authorities do, however, bear the risk of appeals against the new values. This process is managed by the VOA and the Council has no control over the outcome. A provision is set aside each year for the potential cost of appeals. The council will adjust its appeals provision in line with views of the national position in regard to the likelihood of successful appeals. However, were Warner Brothers to appeal successfully against its valuation, the potential figure is substantial. The Council is currently in dialogue with Government over this potential impact and has resources in the business rate reserve to manage the risk between forecast business rates and our baseline.

Unringfenced Government Grant

- 4.16 New Homes Bonus (NHB) is a non-ring-fenced grant relating to the number of new homes delivered in a local authority area that may be used at the discretion of the Council for either capital expenditure or to support the revenue account (or combination). For 2023/24, based on the provisional settlement, the Council expects to receive £0.018m. The government has confirmed that this is a one-off allocation and does not attract legacy payments. The future distribution of NHB remains uncertain following a consultation on the future of NHB during 2021/22 and a restated commitment from DLUCH to review ahead of the 2024/25 settlement. A prudent estimate has been included in the MTFP for 2024/25 and 2025/26.
- 4.17 The Government introduced the Lower Tier Support Grant for District Councils in 2021/22 to ensure that no authority experienced a reduction in core spending power in the 2021/22

settlement. This grant was rolled forward in 2022/23 but has been withdrawn for 2023/24 and replaced with the 3% increase in core funding guarantee.

- 4.18 For 2022/23 the government announced a new one-off Services Grant for local authorities. This has been rolled into 2023/24 with **£0.077m** will be received by Three Rivers. This is lower than the allocation for 2022/23 (£0.138m) as it has been adjusted to remove the element relating to the increase in employers' national insurance which was introduced from 1 April 2022 and then reversed from 6 November 2022. This grant is not ring fenced and can be applied as general funding. It is assumed that this grant will be received across the MTFP.
- 4.19 For 2023/24 Revenue Support Grant (RSG) of **£0.074m** will be received by Three Rivers. This replaces the ringfenced Local Council Tax Support grant which has been rolled into RSG so although this is an increase in unringfenced funding it is neutral to the budget overall.
- 4.20 For 2023/24 the government announced a new Funding Guarantee grant so that no local authority would see an increase in core spending power that is lower than 3% before taking into account council tax level decisions. A grant of **£0.383m** will be received by Three Rivers in 2023/24. The grant is one-off and is therefore included for 2023/24 only.

Council Tax for 2023/24

- 4.21 The Council needs to set a budget that gives an acceptable level of council tax, and is balanced in the medium to long term using the resources at its disposal.
- 4.22 A council tax increase of 2.99% has been assumed for 2023/24. The Council expects to collect **£7.693m** of council tax income in 2023/24. A one percentage increase in the council tax rate generates approximately a £76,934 increase in Council Tax revenue.
- 4.23 The Localism Act 2011 introduced a power for local electorates to approve or veto excessive council tax rises. The Local Government Financial Settlement sets the limit above which any authority will be required to hold a council tax referendum. This has increased for 2023/24 and 2024/25 to 3% or more or more than £5 (whichever is the greater) from the previous limit of 2% or more or more than £5.
- 4.24 A council tax increase of 2.99% is therefore included in the draft budget for 2023/24 and the indicative budget for 2024/25. As the referenda limit for 2025/26 has not been confirmed, the indicative 2025/26 budget includes an increase of £5.00 (2.50%) on the prudent assumption that the referenda limit returns to the previous level.
- 4.25 The government assessment of core spending power assumes local authorities will increase Council Tax by the maximum amount available without triggering a referendum.

Council Tax Base

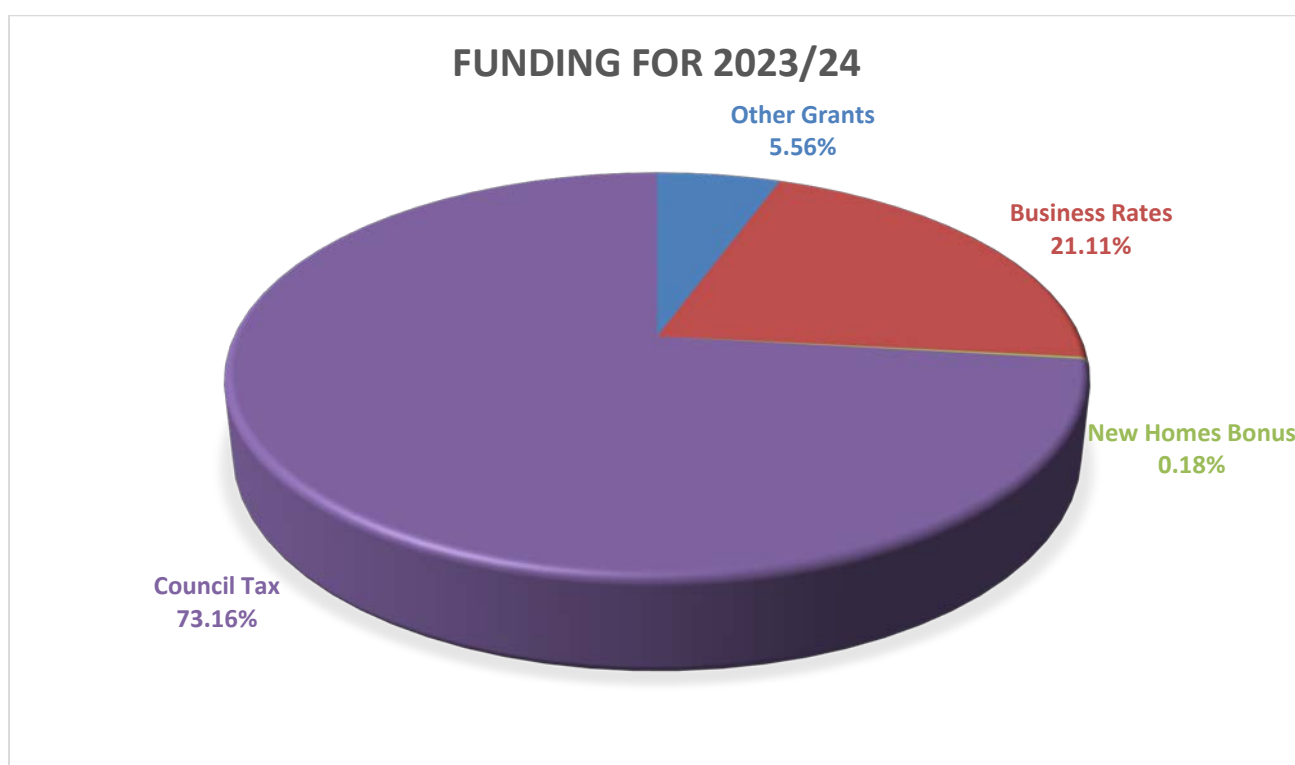
- 4.26 The Council Tax base for 2022/23 was set at the Council meeting on the 13 December 2022 and totalled 39,545.0 assuming a collection rate of 99%. This is a 0.73% to the 2022/23 tax base and is predominantly due to additional dwellings.
- 4.27 A further increase of 1.0% is assumed for tax base growth in 2024/25 and 2025/26 in the MTFP. Despite this being higher than growth in 2022/23 and 2023/24, this remains a prudent estimate and is lower than the assumptions for growth included in the MTFP prior to COVID-19 when annual growth of 1.5% was expected.
- 4.28 Where amounts of Council Tax collected exceed the estimates made, the surplus is shared between the relevant major precepting authorities (Hertfordshire County Council, Three Rivers District Council and Hertfordshire Police & Crime Commissioner). In the same way, where amounts collected are lower than the estimates made, the deficit is shared between the relevant precepting authorities and recovered in the following year. To reduce risk for the Parish Councils, surpluses or deficits are not paid or charged to them.

Local Council Tax Reduction Scheme

- 4.29 It is proposed that the existing Council Tax Reduction Scheme is continued for 2023/24.

Collection Fund

- 4.30 There is a statutory requirement to account separately for Council Tax and Business Rates. The Collection Fund has been established to achieve this. The Fund records all transactions such as the yield, exemptions, discounts, provisions for bad debts, payments to major preceptors to Central Government and takes into account collection rates.
- 4.31 The Council Tax setting process requires an estimate of the surplus or deficit at 31 March 2022 on Council Tax and Business Rates. The balances are distributed to the Council as the Billing Authority, the major preceptors and Central Government. For 2023/24, a deficit of £0.095m in relation to Council Tax will be recovered from Three Rivers as a result of increases to the provision and slower than forecast tax base growth in 2022/23.
- 4.32 The chart below show the value and proportion of each funding stream that supports the Council's revenue account for 2023/24.



5 Draft Revenue Estimates and General Fund Balance

- 5.1 Under Section 25 of the Local Government Act 2003, the Council's Chief Finance Officer (designated officer under section 151 of the Local Government Act 1972) must report to Council on the following matters:
- a. the robustness of the estimates made for the purposes of the calculations, and
 - b. the adequacy of the proposed financial reserves
- 5.2 The Director of Finance, as the designated officer, confirms the estimates have been correctly calculated under the assumptions used and are robust. The council would have sufficient balances to fund the 2023/24 budget, including the future years of the MTFP.
- 5.3 There remains considerable uncertainty around the macro-economic climate and its impact on the Council's MTFP, especially in future years. Key uncertainty includes:

- The ongoing level of inflation and the impact of inflation on underlying budgets, including next year's local government pay award and the impact of inflation on our key contracts. Continued high inflation is also likely to increase demand for some key services and impact on council tax revenues;
- The Council benefits significantly from business rate growth and business rate pooling. Whilst this will remain for 2024/25, the position from 2025/26 remains unclear.
- The impact of national changes to waste collection and waste disposal, including the introduction of the 'producer pays' charges and associated additional funding source.

5.4 The Council will continue to manage the risks within its budget through active budget monitoring, taking steps in year to address any pressures, and through the use of the Economic Impact Reserve and ultimately General Balances.

5.5 Resources beyond 2023/24 remain uncertain. Whilst the Government's policy statement on local government finance gave some detail on 2024/25, it also committed to a review of lower tier funding in light of the additional resources coming to district councils through 'producer pays' funding in waste. Fair funding and the reset of the business rates base will not take place in 2024/25 with changes due to be introduced in the next Parliament.

6 Options/Reasons for Recommendation

6.1 The recommendation below enables the Committee to make recommendations to the Council on 21 February 2023 concerning the Council's budget.

7 Policy/Budget Reference and Implications

7.1 The recommendations in this report contribute to the process whereby the Council will approve and adopt its budget under Article 4 of the Council's Constitution.

8 Equal opportunities, Environmental, Community Safety, Customer Services Centre, Communications, Health & Safety & Website Implications

8.1 See agenda item 10. Financial Planning Recommendations.

9 Financial Implications

9.1 Financial implications are set out in the main body of the report.

10 Legal Implications

10.1 The provisions of the Local Government Finance Act 1992 (LGFA 1992) set out what the Council has to base its budget calculations upon regarding council tax and requires the Council to set a balanced budget having regard to the advice of its Chief Finance Officer (section 151 Officer). The setting of the budget is a function reserved to Full Council in accordance with Part 2, Article 4.02 of the Council's Constitution and the Policy and Resources Committee must therefore forward its recommendations on the budget to Full Council.

10.2 Section 30(6) LGFA 1992 provides that the Council has got to set its budget calculations before 11 March in the financial year preceding the one in respect of which the budget is set although, it is not invalid merely because it is not set on or after 11 March. However, it is important that the Council sets its 2023/24 budget by 11 March 2023 as any delay in setting council tax may leave the Council vulnerable to legal proceedings requiring it to set the tax.

11 Staffing Implications

- 11.1 These depend on the budget set. Staff and their representatives have been kept informed of the strategic, service and financial planning process.

12 Risk Management Implications

- 12.1 The Council has agreed its risk management strategy. Financial and budgetary risks are shown at **Appendix 5**.
- 12.2 In the officers' opinion none of the risks detailed in Appendix 5, in isolation, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks that will be included and managed via the Corporate Services Service Plan. The effectiveness of treatment plans are reviewed by the Audit Committee.

13 Recommendation

- 13.1 That this report be noted.

Report prepared by: Sally Riley – Finance Business Partner
Hannah Doney - Head of Finance

Checked by: Alison Scott – Director of Finance

Background Papers

Reports and Minutes of the Policy and Resources Committee and Council

The recommendations contained in this report DO NOT constitute a KEY DECISION but contribute to the process whereby the Council will approve and adopt its Strategic, Service and Financial Plans under Article 4 of the Council's Constitution

Appendices

- Appendix 1 Summary Medium Term Financial Plan 2023/24 to 2025/26
- Appendix 2 Service Committees Medium term Financial Plan 2023/24 to 2025/26
- Appendix 3 Service Efficiencies
- Appendix 4 Service Committees Variances at end of November 2023/24 to 2025/26
- Appendix 5 Financial and Budgetary Key Risks
- Appendix 6 Reserves
- Appendix 7 Proposed Garage Charges 2023/24

MEDIUM TERM FINANCIAL PLAN 2022/23 to 2025/26

Funding	2022/23			2023/2024	2024/25	2025/26
	Original	Latest Budget	Forecast	Proposed	Proposed	Proposed
Council Tax Base (No.)	39,259.80	39,259.80	39,259.80	39,545.00	39,940.50	40,339.90
Council Tax Base Increase (%)	0.00	0.00	0.00	0.72	0.99	0.99
Band D Council Tax (£)	188.90	188.90	188.90	194.55	200.37	205.37
Council Tax Increase - TRDC (%)	0.00	0.00	0.00	2.99	2.99	2.50
Council Tax (£)	(7,416,176)	(7,416,176)	(7,416,176)	(7,693,405)	(8,002,682)	(8,284,408)
Parish Precepts (£)	(2,228,733)	(2,228,733)	(2,228,733)	(2,273,307)	(2,318,780)	(2,365,160)
Total Taxation (£)	(9,644,909)	(9,644,909)	(9,644,909)	(9,966,712)	(10,321,462)	(10,649,568)
Business Rates (£)	(2,801,641)	(2,801,641)	(2,801,641)	(2,818,907)	(2,818,907)	(2,468,907)
Council Tax Collection Fund deficit (£)	(12,648)	(12,648)	(12,648)	94,638	0	0
New Homes Bonus Grant (£)	(110,247)	(110,247)	(110,247)	(18,480)	(95,000)	(95,000)
Government Funding (£)	(228,772)	(228,772)	(228,772)	(534,444)	(151,305)	(151,305)
Dividend (£)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Grant Funding (£)	(3,203,308)	(3,203,308)	(3,203,308)	(3,327,193)	(3,115,212)	(2,765,212)
Total Taxation & Grant Funding (£)	(12,848,217)	(12,848,217)	(12,848,217)	(13,293,906)	(13,436,674)	(13,414,780)
Financial Statement - Summary	2022/23			2023/24	2024/25	2025/26
	Original	Latest Budget	Forecast	Proposed	Proposed	Proposed
	£	£	£	£	£	£
<u>Committee - Net Cost Of Services</u>						
Infrastructure, Housing & Economic Development	1,436,494	1,582,359	1,582,359	1,497,720	1,497,720	1,497,720
Leisure, Environment & Community	4,554,672	5,223,117	5,223,117	4,683,508	4,683,508	4,683,508
Policy & Resources	4,995,654	5,947,644	5,947,644	5,633,799	5,891,599	5,891,599
Period 8 Variances	0	0	(273,674)	(465,344)	(673,030)	(737,287)
Growth Bids	0	0	0	65,000	81,000	81,000
Sub-Total	10,986,820	12,753,120	12,479,446	11,414,683	11,480,797	11,416,540
<u>Other</u>						
Parish Precepts	2,228,733	2,228,733	2,228,733	2,273,307	2,318,780	2,365,160
Net Transfer from Reserves	(59,910)	(59,910)	(59,910)	(59,910)	(59,910)	(59,910)
Interest Payable & Borrowing costs	302,150	302,150	302,150	302,150	302,150	302,150
Interest Received	(270,000)	(270,000)	(270,000)	(470,000)	(460,000)	(460,000)
Period 8 Variances	0	0	7,000	180,839	180,839	180,839
Sub-Total	2,200,973	2,200,973	2,207,973	2,226,386	2,281,859	2,328,239
Net Expenditure	13,187,793	14,954,093	14,687,419	13,641,069	13,762,656	13,744,779
Income from Council Tax, Government Grants & Business Rates	(12,848,217)	(12,848,217)	(12,848,217)	(13,293,906)	(13,436,674)	(13,414,780)
(Surplus)/Deficit Before Use of Earmarked Reserves	339,575	2,105,875	1,839,201	347,164	325,982	330,000
Planned Use of Reserves:						
Economic Impact Reserve	0	0	(462,519)	(182,840)	(147,587)	(147,587)
(Surplus) / Deficit to be funded from General Balance:	339,575	2,105,875	1,376,682	164,324	178,395	182,413

Movement on General Fund Balance	2022/23			2023/24	2024/25	2025/26
	Original £	Latest Budget £	Forecast £	Proposed £	Proposed £	Proposed £
Balance Brought Forward at 1 April	(5,363,546)	(5,363,546)	(5,363,546)	(3,986,864)	(3,822,540)	(3,644,145)
Revenue Budget (Surplus)/Deficit for Year	339,575	2,105,875	1,376,682	164,324	178,395	182,413
Closing Balance at 31 March	(5,023,971)	(3,257,671)	(3,986,864)	(3,822,540)	(3,644,145)	(3,461,732)

Movement on Economic Impact	2022/23			2023/24	2024/25	2025/26
	Original £	Latest Budget £	Outturn £	Proposed £	Proposed £	Proposed £
Balance Brought Forward at 1 April	(2,333,846)	(2,333,846)	(2,333,846)	(1,871,327)	(1,688,487)	(1,540,900)
COVID-19 Impact for Year	0	0	462,519	182,840	147,587	147,587
Closing Balance at 31 March	(2,333,846)	(2,333,846)	(1,871,327)	(1,688,487)	(1,540,900)	(1,393,313)

Total Reserves Impact	2022/23			2023/24	2024/25	2025/26
	Original £	Latest Budget £	Outturn £	Proposed £	Proposed £	Proposed £
Balance Brought Forward at 1 April	(7,697,392)	(7,697,392)	(7,697,392)	(5,858,191)	(5,511,027)	(5,185,045)
Impact for Year	339,575	2,105,875	1,839,201	347,164	325,982	330,000
Closing Balance at 31 March	(7,357,817)	(5,591,517)	(5,858,191)	(5,511,027)	(5,185,045)	(4,855,045)

SERVICE COMMITTEES - MEDIUM TERM FINANCIAL PLAN 2022/23 to 2025/26

Leisure, Environment & Community									
Community Safety & Partnership	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Citizens Advice Bureaux	303,340	303,340	193,005	303,340	0	303,340	303,340	303,340	Accommodation costs actioned at year end
Community Development	4,500	4,500	(67,426)	4,500	0	4,500	4,500	4,500	Actuals includes grants which are yet to be paid out
Community Safety	273,695	297,732	276,121	306,460	8,728	217,274	218,103	218,103	2022/23 Pay Award and Future years salary realignment. Full budget on Grants & Contributions no longer required from 2023/24 due to no longer contributing to the costs of a PCSO
Corporate Climate Change	93,600	157,279	(1,573,092)	160,141	2,862	98,085	98,902	98,902	2022/23 Pay Award and Future years salary realignment
Community Partnerships	198,215	202,744	135,622	210,441	7,697	209,387	211,303	211,303	2022/23 Pay Award and Future years salary realignment
Env Health - Commercial Teams	209,790	209,790	94,247	209,790	0	209,790	209,790	209,790	Invoiced 1/2 yearly by Watford Borough Council
Licensing	(74,100)	(71,716)	(97,846)	(65,786)	5,930	(66,261)	(66,050)	(66,050)	2022/23 Pay Award and Future years salary realignment
Community & Leisure Grant	80,000	80,000	51,181	80,000	0	80,000	80,000	80,000	Grants to be paid out
Total	1,089,040	1,183,669	(988,188)	1,208,886	25,217	1,056,115	1,059,888	1,059,888	

Leisure	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Abbots Langley Project	0	0	130,298	0	0	0	0	0	Budget is fully funded by S106 monies
Community Sports Network Csn	0	0	(4,970)	0	0	0	0	0	Actuals includes grant funding
Community Arts	10,600	10,600	778	8,420	(2,180)	11,400	11,400	11,400	Increased income received for activities delivered.
Watersmeet	64,990	40,934	(168,461)	51,745	10,811	5,406	2,181	2,181	2022/23 Pay Award and Future years salary realignment. 10% increase in fees & charges for Lettings & Hall Hire

Leisure cont.	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Leavesden Ymca	(35,000)	(35,000)	(22,879)	(35,000)	0	(35,000)	(35,000)	(35,000)	Income is received quarterly.
Oxhey Hall	(3,000)	(3,000)	(2,250)	(3,000)	0	(3,000)	(3,000)	(3,000)	Income is received quarterly.
Trees And Landscapes	189,360	213,560	83,413	228,560	15,000	189,360	189,360	189,360	£5,000 budget transferred from Leisure Venues to fund high priority health and safety tree works across the district. Requesting an additional £10,000 towards emergency high priority tree works across the district. Overspend also part funded by S106 monies for Leavesden Country Park.
Museum	(700)	(700)	(700)	(700)	0	(700)	(700)	(700)	Budget met
Playing Fields & Open Spaces	80,225	133,225	148,087	133,225	0	97,731	97,731	97,731	7% increase in fees and charges for hiring of Football pitches
Play Rangers	50,915	52,111	41,569	56,004	3,893	56,495	56,416	56,416	2022/23 Pay Award and Future years salary realignment
Community Parks & Sust Project	22,000	22,000	5,157	22,000	0	24,200	24,200	24,200	2022/23 Pay Award and Future years salary realignment
Aquadrome	16,390	16,390	28,578	16,390	0	16,550	16,550	16,550	Income will be received by year end
Leisure Venues	(737,480)	(163,961)	(1,288)	(168,961)	(5,000)	(479,640)	(514,893)	(514,893)	£5,000 from the Free Gym/Swimming budget to be transferred to Trees and Landscapes to fund high priority health and safety works across the district. Revised profile of management fee due from leisure provider - SLM
Leisure Development	482,960	490,610	333,158	518,117	27,507	519,504	519,600	519,600	2022/23 Pay Award and Future years salary realignment
Play Development - Play schemes	37,940	37,940	23,117	37,940	0	42,940	42,940	42,940	2022/23 Pay Award and Future years salary realignment
Sports Devel-Sports Projects	43,200	38,940	29,246	38,940	0	45,550	45,550	45,550	2022/23 Pay Award and Future years salary realignment
Leisure & Community Services	130,120	133,283	83,100	137,151	3,868	121,355	121,277	121,277	2022/23 Pay Award and Future years salary realignment
Grounds Maintenance	767,495	782,446	443,521	833,144	50,698	735,553	737,518	737,518	2022/23 Pay Award and Future years salary realignment
Total	1,120,015	1,769,378	1,149,474	1,873,975	104,597	1,347,704	1,311,130	1,311,130	

Environmental Services	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Refuse Domestic	(19,695)	(19,695)	(9,846)	(19,695)	0	(23,370)	(23,370)	(23,370)	10% increase in fees & Charges for Special Commercial fees
Refuse Trade	(218,075)	(113,406)	(429,589)	(103,496)	9,910	(37,465)	(37,465)	(37,465)	2022/23 Pay Award and Future years salary realignment. 2022/23 increased income from Trade Refuse £7,000 and Bulky Domestic Waste £8,500. Future years 10% increase in fees and charges for Trade Refuse, Bulky Waste and Glass/Paper/Card.
Recycling General	750	750	(3,407)	750	0	750	750	750	Budget will be spent
Garden Waste	(416,960)	(425,615)	(818,789)	(433,115)	(7,500)	(595,543)	(595,543)	(595,543)	2022/23 Pay Award and Future years salary realignment. 2022/23 Increased income received of £7,500 for new Garden Waste sign-ups. Future Years Increase in fees and charges of £10 per bin for first bins and £20 per bin for subsequent bins
Clinical Waste	(44,585)	(19,992)	(70,831)	(17,451)	2,541	(31,678)	(31,678)	(31,678)	2022/23 Pay Award and Future years salary realignment. 10% increase in fees & Charges for Clinical Waste Collection
Recycling Kerbside	(90,790)	(507,378)	(328,678)	(547,378)	(40,000)	(318,613)	(318,613)	(318,613)	2022/23 £40,000 Increased income from Pearce Recycling from the sale of recycling. Future Years AFM income from Herts County Council will no longer be received.
Abandoned Vehicles	250	250	0	250	0	250	250	250	Demand led service
Pest Control	76,922	78,800	39,207	78,800	0	80,755	12,755	12,755	Full budget no longer required from 2024/25 due to the Pest Control Service no longer being provided by Watford Borough Council
Environmental Maintenance	25,980	25,980	12,362	25,980	0	25,970	25,970	25,970	Budget no longer required
Animal Control	58,850	60,004	43,932	62,582	2,578	62,305	62,253	62,253	2022/23 Pay Award and Future years salary realignment
Cemeteries	(188,330)	(188,330)	(118,586)	(188,330)	0	(208,623)	(208,623)	(208,623)	10% increase in fees & Charges for Burial Fees, Burial Rights Fees and Memorial Fees
Hertfordshire Fly Tipping	0	0	(10,861)	0	0	0	0	0	Ring-fenced grant monies

Environmental Services cont.	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Environmental Protection	358,985	368,107	226,080	392,794	24,687	389,553	389,685	389,685	2022/23 Pay Award and Future years salary realignment
Depot-Batchworth	34,940	37,940	45,300	37,940	0	35,380	35,380	35,380	income will be received by year end
Waste Management	2,222,160	2,412,063	1,632,468	2,551,856	139,793	2,360,909	2,261,172	2,261,172	2023/24 Pay Award and future years salary realignment. A target saving of £100,000 from 2024/25 onwards is proposed in relation to potential economies in the purchase of fuel.
Street Cleansing	545,215	560,592	385,856	599,924	39,332	632,375	633,545	633,545	2022/23 Pay Award and Future years salary realignment
Environmental Protection	358,985	368,107	226,080	392,794	24,687	389,553	389,685	389,685	2022/23 Pay Award and Future years salary realignment
Depot-Batchworth	34,940	37,940	45,300	37,940	0	35,380	35,380	35,380	income will be received by year end
Total	2,345,617	2,270,070	594,618	2,441,411	171,341	2,372,955	2,206,468	2,206,468	
Total Leisure Environment & Community	4,554,672	5,223,117	755,904	5,524,272	301,155	4,776,774	4,577,486	4,577,486	

Infrastructure Housing & Economic Development

Housing	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Housing Services Needs	494,350	433,490	356,685	456,692	23,202	501,198	512,455	512,455	2022/23 Pay Award and Future years salary realignment
Rent Deposit Guarantee Scheme	5,110	5,110	1,500	5,110	0	5,110	5,110	5,110	Demand led service
Homelessness General Fund	(131,770)	(172,770)	(882,178)	(222,770)	(50,000)	(176,770)	(176,770)	(176,770)	Full Hire of Accommodation budget not required this year due to use of grant funding of £50,000. Full budget no longer required from 2023/24 onwards due to reduced usage of nightly lets and efficient use of our own temporary accommodation. Full budget no longer required from 2023/24 onwards due to reduced usage of nightly lets and efficient use of our own temporary accommodation
Housing Associations	(5,000)	(5,000)	(2,500)	(5,000)	0	(5,000)	(5,000)	(5,000)	Income will be received by year end
Refugees	0	0	(95,878)	0	0	0	0	0	Ring-fenced grant monies
Env Health - Residential Team	116,255	108,196	24,288	113,352	5,156	70,097	71,314	71,314	Budget transferred to executive Head of Service following restructure
Total	478,945	369,026	(598,083)	347,384	(21,642)	394,635	407,109	407,109	

Infrastructure & Planning Policy	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Land & Property Info Section	(1,950)	859	9,521	7,247	6,388	6,987	(129)	(7,660)	2022/23 Pay Award and Future years salary realignment. Full staffing budget no longer required from 2024/25. Budgets for Travelling Expenses and Essential & Casual User Mileage not required this year
Street Naming & Numbering	7,130	7,130	2,362	7,130	0	7,130	7,130	7,130	Budget will be spent
Development Management	133,707	160,598	(435,672)	(23,612)	(184,210)	263,664	273,005	273,005	2022/23 Pay Award and Future years salary realignment. Full budget for Essential & Casual Users mileage and Scanning not required this year. Increased income received, Pre-application advice £20,000, Planning application fees £153,580 and CIL 5% admin £46,700
Director, Community & Env Servs	130,550	133,943	87,226	136,485	2,542	130,211	130,118	130,118	2022/23 Pay Award and Future years salary realignment
Development Plans	302,255	376,377	120,036	388,173	11,796	298,293	299,821	299,821	2022/23 Pay Award and Future years salary realignment
Hertfordshire Building Control	(9,487)	(8,096)	(28,993)	(3,945)	4,151	(4,323)	(4,323)	(4,323)	2022/23 Pay Award and Future years salary realignment
HS2 Planning	0	0	(591)	0	0	0	0	0	
Total	562,205	670,811	(246,111)	511,478	(159,333)	701,962	705,622	698,091	

Economic Development	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Energy Efficiency	19,500	27,462	0	27,462	0	19,500	19,500	19,500	Budget will be spent
Sustainability Projects	3,000	3,000	152	3,000	0	3,000	3,000	3,000	Budget will be spent
Decriminalised Parking Enf	73,640	191,388	21,742	196,544	5,156	92,369	92,369	92,369	2022/23 Pay Award and Future years salary realignment
Car Parking-Maintenance	115,070	115,070	107,029	115,070	0	96,690	96,690	96,690	Budget will be spent
Dial A Ride	40,000	40,000	6,220	40,000	0	40,000	40,000	40,000	Budget will be spent
Sustainable Travel Schemes	1,500	22,500	11,485	22,500	0	1,500	1,500	1,500	Budget will be spent
Better Buses Fund	93,359	93,359	0	93,359	0	93,359	93,359	93,359	In consultation with HCC re future routes
Public Conveniences	4,200	3,600	3,000	3,600	0	3,600	3,600	3,600	Budget will be spent
GIS Officer	45,075	46,143	30,509	48,720	2,577	50,161	51,053	51,053	2022/23 Pay Award and Future years salary realignment
Total	395,344	542,522	180,137	550,255	7,733	400,179	401,071	401,071	

Total Infrastructure Housing & Economic Development	1,436,494	1,582,359	(664,057)	1,409,117	(173,242)	1,496,776	1,513,802	1,506,271	
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Policy & Resources									
Resources & Shared Services	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Director Of Finance	70,610	73,937	50,254	76,478	2,541	66,703	70,896	70,896	2022/23 Pay Award and Future years salary realignment
Communication	115,670	131,780	159,933	147,458	15,678	312,645	315,294	315,294	2022/23 Pay Award and Future years salary realignment. Data Protection Budget moved to major Incident Planning due to restructure of service
Legal Practice	395,725	406,209	325,675	421,046	14,837	407,881	408,277	408,277	2022/23 Pay Award and Future years salary realignment. Increase in Legal Income budget due to increasing the cost of officer time from £200 to £250 per hour including for S106 agreements.
Committee Administration	202,475	207,111	35,528	215,704	8,593	194,741	195,423	195,423	2022/23 Pay Award and Future years salary realignment
Office Services	232,810	213,560	87,921	213,560	0	214,810	214,810	214,810	Full printing budget no longer required as all printing will be recharged to the services
Elections & Electoral Regn	129,420	132,487	266,494	140,184	7,697	146,326	146,458	146,458	2022/23 Pay Award and Future years salary realignment
Finance Services	457,875	498,152	342,856	541,112	42,960	487,002	472,919	472,919	2022/23 Pay Award and Future years salary realignment. Full Shared Service Income budget no longer required due to reduction in staffing budgets
Parliamentary Elections	0	0	18,476	18,746	18,746	0	0	0	Loss on 2019 Parliamentary Election. Final claim now received
Police Commissioner Election	0	0	13,347	0	0	0	0	0	May 2021 Election claim currently with Cabinet Office
Revs & Bens Management	36,250	38,769	37,268	41,347	2,578	39,453	39,453	39,453	2022/23 Pay Award and Future years salary realignment, offset by increased Shared Service income due to pay award and salary realignment
Fraud	80,150	78,067	65,041	85,801	7,734	81,149	81,149	81,149	2022/23 Pay Award and Future years salary realignment. Full budget on Legal Fees no longer required. Reduction in shared service income due to Legal Fees, pay award and salary realignment
Chief Executive	176,060	180,568	143,115	184,140	3,572	204,612	204,612	204,612	2022/23 Pay Award and Future years salary realignment

Resources & Shared Services cont.	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Performance Mgt & Scrutiny	47,520	48,654	32,293	51,232	2,578	50,903	50,903	50,903	2022/23 Pay Award and Future years salary realignment
Debt Recovery	227,075	238,715	185,291	266,300	27,585	233,506	234,421	234,421	2022/23 Pay Award and Future years salary realignment, offset by a reduction in Shared Service income due to pay award and salary realignment
Executive Head of Service	0	95,646	59,479	98,187	2,541	100,609	104,358	104,358	2022/23 Pay Award and Future years salary realignment
Three Rivers House	366,000	412,512	230,336	412,512	0	359,260	359,260	359,260	Budget will be spent
Basing House	(10,340)	(2,340)	16,926	(2,340)	0	(10,140)	(10,140)	(10,140)	Income will be received by year end
Officers' Standby	6,140	6,140	6,140	6,140	0	6,140	6,140	6,140	Budget fully spent
Finance Client	115,780	131,058	(1,867)	134,926	3,868	21,108	22,465	22,465	2022/23 Pay Award and Future years salary realignment
Business App Maintenance	226,400	226,400	211,318	226,400	0	257,875	257,875	257,875	Increased budget required of £19,545 for new 5 year IDOX contract from 2023/24 onwards, which will increase by RPI in subsequent years and for inflationary rise of GIS Contract of £11,930 from 2023/24 onwards
ICT Client	755,542	791,066	450,349	793,644	2,578	721,551	721,551	721,551	2022/23 Pay Award and Future years salary realignment. £39,210 efficiency saving from 2023/24 onwards arising from ICT structure revision
Internal Audit Client	71,460	55,968	36,093	55,968	0	55,968	55,968	55,968	Budget will be spent
Fraud Client	2,690	2,690	1,345	2,690	0	2,690	2,690	2,690	Budget will be spent
Insurances	353,220	373,220	372,555	373,220	0	373,220	373,220	373,220	Increase in sum insured and inflationary increases
Debt Recovery Client Acc	(6,140)	(6,140)	(1,125)	(6,140)	0	(6,140)	(6,140)	(6,140)	Budget will be spent
HR Client	333,736	333,736	169,334	333,736	0	334,113	334,113	334,113	Budget will be spent
Corporate Management	150,680	213,416	40,537	213,416	0	150,680	150,680	150,680	Budget will be spent
Democratic Representation	303,758	310,288	208,481	309,838	(450)	307,838	307,838	307,838	Full budgets for Subsistence £200 and Miscellaneous IT £250 for Members no longer required
Benefits & Allowances	666,800	694,848	687,470	769,712	74,864	748,587	751,260	751,260	2022/23 Pay Award and Future years salary realignment offset by increase in Shared Service income.

Resources & Shared Services cont.	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Benefits Client	(545,210)	(545,210)	4,427,518	(545,210)	0	(470,660)	(470,660)	(470,660)	This holds the housing benefits payments and recovery from DWP and further grants from DWP relating to the provision of benefits. There is timing difference between payments made to claimants and income received from Government. The variance relates to the removal of specific grant funding which is now being rolled into Revenue Support Grant
Benefits New Burden	0	0	(38,849)	0	0	0	0	0	Grant monies received
Benefits DHP	0	0	7,557	0	0	0	0	0	Actioned at year end
Benefits Non Hra	1,020	1,020	(391,277)	1,020	0	1,020	1,020	1,020	Actioned at year end
Council Tax Collection	381,209	396,785	333,316	432,387	35,602	387,937	388,667	388,667	2022/23 Pay Award and Future years salary realignment, offset by a reduction in Shared Service income due to pay award and salary realignment
NNDR	55,090	57,110	117,680	62,272	5,162	58,898	58,898	58,898	2022/23 Pay Award and Future years salary realignment offset by an increase in shared service income due to pay award and salary realignment
Council Tax Client	(126,879)	(126,879)	0	(126,879)	0	(126,879)	(126,879)	(126,879)	Budget will be spent
Nndr Cost Of Collection	(107,090)	(107,090)	0	(107,090)	0	(107,090)	(107,090)	(107,090)	This is received at year end
Register Of Electors	36,800	36,800	7,777	36,800	0	36,800	36,800	36,800	Budget will be spent
District Elections	76,320	76,320	121,796	126,320	50,000	76,320	76,320	76,320	Increased costs due to no ability to share costs with County, Police & Crime Commissioner or parish elections
Customer Service Centre	917,340	900,103	460,754	957,902	57,799	876,087	886,076	886,076	2022/23 Pay Award and Future years salary realignment
Major Incident Planning	100,230	101,944	46,920	104,485	2,541	106,833	106,964	106,964	2022/23 Pay Award and Future years salary realignment. Data Protection Budget moved from Communication due to restructure of service
Miscellaneous Income & Expend	25,003	25,003	(4,195,311)	18,003	(7,000)	(55,000)	(55,000)	(55,000)	£7,000 budget for Minimum Revenue Position moved to Interest Paid. Future years budgets no longer required for Miscellaneous Expenses £23,003 and Future Trading Activities £50,000.

Resources & Shared Services cont.	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Non Distributed Costs	255,000	255,000	3,176	255,000	0	255,000	255,000	255,000	Actioned at year end
Customer Contact Programme	6,000	110,288	35,653	110,288	0	6,000	6,000	6,000	Budget will be spent
Customer Experience	0	81,690	52,239	84,231	2,541	87,324	91,213	91,213	2022/23 Pay Award and Future years salary realignment
Miscellaneous Properties	(102,180)	(54,341)	(45,174)	(54,138)	203	(77,433)	(77,433)	(77,433)	2022/23 Pay Award and Future years salary realignment
Asset Management - Property Services	378,545	437,227	478,811	460,318	23,091	411,755	412,139	412,139	2022/23 Pay Award and Future years salary realignment
Parish Elections	0	0	(7,046)	0	0	0	0	0	Ringfenced for future elections
County Elections	0	0	(13,896)	0	0	0	0	0	Ringfenced for future elections
Referendums	0	0	(28,249)	0	0	0	0	0	Ringfenced for future elections
Garages & Shops Maintenance	(1,142,960)	(1,170,158)	(738,630)	(1,170,158)	0	(1,169,030)	(1,169,030)	(1,169,030)	Income for Garages will be looked at in January 2023
Investment Properties	(1,100,000)	(1,100,000)	(628,701)	(1,100,000)	0	(890,089)	(950,499)	(982,225)	Decrease in income due to be received from Investment Properties
Kickstart	0	0	(333)	0	0	0	0	0	
Oxhey Drive	10,050	10,050	0	10,050	0	10,250	10,250	10,250	Budget will be spent
Wimbledon	0	0	0	0	0	(200,000)	(200,000)	(500,000)	Income due to be received
Vacancy Provision	(180,000)	(180,000)	0	(180,000)	0	(180,000)	(180,000)	(180,000)	
Salary Contingency	550,000	855,465	0	45,439	(810,026)	175,000	450,000	725,000	2022/23 Pay Award and Future years salary realignment. 1% reduction in Pension Costs and 2% salary increase contingency for 2025/26
Total Policy & Resources	4,995,654	5,947,644	4,256,594	5,546,057	(401,587)	5,076,133	5,308,509	5,251,783	
Total All Committees	10,986,820	12,753,120	4,348,441	12,479,446	(273,674)	11,349,683	11,399,797	11,335,540	

Corporate Costs	Original Budget 2022/23 £	Latest Budget 2022/23 £	Spend to Date £	Forecast Year End 2022/23 £	Variance @ P8 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Officer Comments
Interest Earned	(270,000)	(270,000)	(218,390)	(270,000)	0	(670,000)	(660,000)	(660,000)	Increased Income generated from Treasury Management activities
Interest Paid	302,150	302,150	96,400	309,150	7,000	682,989	682,989	682,989	Minimum Revenue Provision (MRP) requirement for Capital Program, £7,000 moved from Miscellaneous Income and Expenditure and £373,839 budget required for future years
Transfer to Reserves	(59,910)	(59,910)	999,000	(59,910)	0	(59,910)	(59,910)	(59,910)	
Parish Precepts	2,228,733	2,228,733	2,228,733	2,228,733	0	2,273,307	2,318,780	2,365,160	Paid half yearly in April & September
Total Corporate Costs	2,200,973	2,200,973	3,105,743	2,207,973	7,000	2,226,386	2,281,859	2,328,239	
Grand Total	13,187,793	14,954,093	7,454,184	14,687,419	(266,674)	13,576,069	13,681,656	13,663,779	

Growth Bids	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
Trees & Landscapes - Alternative Grassland Management	30,000	30,000	30,000
Trees & Landscapes - Ash Die Back	25,000	25,000	25,000
Communications	10,000	10,000	10,000
Revenue impact of Capital Growth Bids	0	16,000	16,000
Total	65,000	81,000	81,000

Net Budget	13,641,069	13,762,656	13,744,779
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Funding Changes	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Officers Comments
New Homes Bonus	(18,480)	(95,000)	(95,000)	Decrease in allocation
Council Tax	(9,966,712)	(10,321,462)	(10,649,568)	Increase in Charge by 2.99% in 2023/24
Council Tax Collection Fund Deficit	94,638	0	0	Deficit on Council Tax Collection Fund
Business Rates Growth	(600,000)	(600,000)	(250,000)	Increase in allocation
Business Rates	(2,218,907)	(2,218,907)	(2,218,907)	
Revenue Support Grant	(73,817)	(73,817)	(73,817)	Additional Government Grant
New - Funding Guarantee	(383,139)	0	0	Additional Government Grant
Services Grant	(77,488)	(77,488)	(77,488)	Additional Government Grant
Dividend	(50,000)	(50,000)	(50,000)	
Lower Tier Grant	0	0	0	Decrease in Allocation
Total Funding	(13,293,905)	(13,436,674)	(13,414,780)	

Surplus / Deficit	347,164	325,982	330,000
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Service Efficiencies

Service area	Description	2023/24 £	2024/25 £	2025/26 £	Total £
Environmental Protection	Full budget no longer required from 2024/25 due to changes to the delivery of the Pest Control Service currently provided by Watford Borough Council.	0	(68,000)	(68,000)	(136,000)
Environmental Protection	The Council is working with other authorities to explore a Hertfordshire wide consortium which will benefit from reduced rates per litre of diesel. This is a target saving and will be reviewed during 2023/24.	0	(100,000)	(100,000)	(200,000)
Legal	Uplift of section 106 agreements fees for legal work from £200 to £250 per hour in line with Local Government guidelines due to increasing cost of officer time.	(11,250)	(11,250)	(11,250)	(33,750)
Committee Services	Subsistence budget saving of £200 a year due to with Members not needing to attend so many face to face meetings and more meetings being held virtually.	(200)	(200)	(200)	(800)
Committee Services	Reduction in budget for miscellaneous IT equipment for Members	(250)	(250)	(250)	(1,000)
Planning, Infrastructure and Economic Development	Reduction in use of temporary resource within the Land and Property team	0	(7,532)	(15,063)	(22,595)
Community Partnerships	The SLA with the Police for additional PCSOs will not be renewed.	(71,000)	(71,000)	(71,000)	(213,000)
Housing	Reduced usage of nightly lets and efficient use of our own temporary accommodation reduces expenditure.	(45,000)	(45,000)	(45,000)	(135,000)
Property Services	All printing will be recharged to relevant services helping to reduce printing and drive digital first.	(18,000)	(18,000)	(18,000)	(54,000)
		(145,700)	(321,232)	(328,763)	(796,145)

SERVICE COMMITTEES – VARIANCES

Leisure, Environment & Community						
Description	Main Group Heading	Details of Year end Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Community Safety & Partnerships						
Community Safety	Employees	2022/23 Pay Award and Future years salary realignment	8,728	6,027	6,856	6,856
	Supplies and Services	Full budget on Grants & Contributions no longer required from 2023/24 due to no longer contributing to the costs of a PCSO	0	(71,000)	(71,000)	(71,000)
Corporate Climate Change	Employees	2022/23 Pay Award and Future years salary realignment	2,862	2,535	3,352	3,352
Community Partnerships	Employees	2022/23 Pay Award and Future years salary realignment	7,697	23	1,939	1,939
Licensing	Employees	2022/23 Pay Award and Future years salary realignment	5,930	5,255	5,466	5,466
Total Community Safety & Partnerships			25,217	(57,160)	(53,387)	(53,387)
Leisure						
Watersmeet	Employees	2022/23 Pay Award and Future years salary realignment	10,811	(34,491)	(37,716)	(37,716)
	Income	10% increase in fees & charges for Lettings & Hall Hire	0	(12,101)	(12,101)	(12,101)
Community Arts	Employees	2022/23 Pay Award and Future years salary realignment	0	800	800	800
	Income	Increased income received for activities delivered.	(2,180)	0	0	0
Trees & Landscapes	Premises	£5,000 budget transferred from Leisure Venues to fund high priority health and safety tree works across the district. Requesting an additional £10,000 towards emergency high priority tree works across the district. Overspend also part funded by S106 monies for Leavesden Country Park.	15,000	0	0	0
Playing Fields & Open Spaces	Income	7% increase in fees and charges for hiring of Football pitches	0	(2,604)	(2,604)	(2,604)
Play Rangers	Employees	2022/23 Pay Award and Future years salary realignment	3,893	4,384	4,305	4,305
Comm Parks & Sust Projects	Employees	2022/23 Pay Award and Future years salary realignment	0	2,200	2,200	2,200
Leisure Venues	Supplies and Services	£5,000 from the Free Gym/Swimming budget to be transferred to Trees and Landscapes to fund high priority health and safety works across the district	(5,000)	0	0	0
	Income	Revised profile of management fee due from leisure provider - SLM	0	182,840	147,587	147,587
Leisure Development	Employees	2022/23 Pay Award and Future years salary realignment	27,507	28,804	28,900	28,900
Play Development - Playschemes	Employees	2022/23 Pay Award and Future years salary realignment	0	5,000	5,000	5,000

Description	Main Group Heading	Details of Year end Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Sports Devel-Sports Projects	Employees	2022/23 Pay Award and Future years salary realignment	0	2,350	2,350	2,350
Leisure & Community Services	Employees	2022/23 Pay Award and Future years salary realignment	3,868	(11,628)	(11,706)	(11,706)
Grounds Maintenance	Employees	2022/23 Pay Award and Future years salary realignment	50,698	(48,633)	(46,668)	(46,668)
Total Leisure			104,597	116,921	80,347	80,347
Environmental Services						
Refuse Domestic	Income	10% increase in fees & Charges for Special Commercial fees	0	(3,675)	(3,675)	(3,675)
Refuse Trade	Employees	2022/23 Pay Award and Future years salary realignment	25,410	151,091	151,091	151,091
	Income	2022/23 increased income from Trade Refuse £7,000 and Bulky Domestic Waste £8,500. Future years 10% increase in fees and charges for Trade Refuse, Bulky Waste and Glass/Paper/Card	(15,500)	(75,150)	(75,150)	(75,150)
Garden Waste	Employees	2022/23 Pay Award and Future years salary realignment	0	58,112	58,112	58,112
	Income	2022/23 Increased income received of £7,500 for new Garden Waste sign-ups. Future Years Increase in fees and charges of £10 per bin for first bins and £20 per bin for subsequent bins	(7,500)	(240,000)	(240,000)	(240,000)
Clinical Waste	Employees	2022/23 Pay Award and Future years salary realignment	2,541	(1,336)	(1,336)	(1,336)
	Income	10% increase in fees & Charges for Clinical Waste Collection	0	(10,350)	(10,350)	(10,350)
Environmental Maintenance	Employees	Budget no longer required	0	(10)	(10)	(10)
Kerbside Recycling	Income	2022/23 £40,000 Increased income from Pearce Recycling from the sale of recycling. Future Years AFM income from Herts County Council will no longer be received.	(40,000)	107,720	107,720	107,720
Pest Control	Third Party Payments	Full budget no longer required from 2024/25 due to the Pest Control Service no longer being provided by Watford Borough Council	0	0	(68,000)	(68,000)
Animal Control	Employees	2022/23 Pay Award and Future years salary realignment	2,578	2,301	2,249	2,249
Cemeteries	Income	10% increase in fees & Charges for Burial Fees, Burial Rights Fees and Memorial Fees	0	(20,193)	(20,193)	(20,193)
Environmental Protection	Employees	2022/23 Pay Award and Future years salary realignment	24,687	21,326	21,458	21,458

Description	Main Group Heading	Details of Year end Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Waste Management	Employees	2022/23 Pay Award and Future years salary realignment	139,793	(26,164)	(25,901)	(25,901)
	Transport	The Council is working with other authorities to explore a Hertfordshire wide consortium which will benefit from reduced rates per litre of diesel. This is a target saving and will be reviewed during 2023/24.	0	0	(100,000)	(100,000)
Street Cleansing	Employees	2022/23 Pay Award and Future years salary realignment	39,332	69,833	71,003	71,003
Total Environmental Services			171,341	33,505	(132,982)	(132,982)
Total Leisure, Environment and Community			301,155	93,266	(106,022)	(106,022)

Infrastructure Housing & Economic Development						
Description	Main Group Heading	Details of Year end Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Housing						
Housing Services Needs	Employees	2022/23 Pay Award and Future years salary realignment	23,202	(11,905)	(648)	(648)
Homelessness General Fund	Premises	Full Hire of Accommodation budget not required this year due to use of grant funding of £50,000. Full budget no longer required from 2023/24 onwards due to reduced usage of nightly lets and efficient use of our own temporary accommodation	(50,000)	(70,000)	(70,000)	(70,000)
	Income	Full budget no longer required from 2023/24 onwards due to reduced usage of nightly lets and efficient use of our own temporary accommodation	0	25,000	25,000	25,000
Env Health - Residential	Employees	2022/23 Pay Award and Future years salary realignment	5,156	(49,437)	(48,220)	(48,220)
Total Housing			(21,642)	(106,342)	(93,868)	(93,868)
Infrastructure and planning policy						
Land & Property Info Section	Employees	2022/23 Pay Award and Future years salary realignment. Full staffing budget no longer required from 2024/25	6,898	5,728	(1,388)	(8,919)
	Transport	Budgets for Travelling Expenses and Essential & Casual User Mileage not required this year	(510)	0	0	0
Development Management	Employees	2022/23 Pay Award and Future years salary realignment	45,070	125,209	134,550	134,550
	Transport	Full budget for Essential & Casual Users mileage not required this year	(3,000)	0	0	0
	Supplies and Services	Full scanning budget not required this year	(6,000)	0	0	0
	Income	Increased income received, Pre-application advice £20,000, Planning application fees £153,580 and CIL 5% admin £46,700	(220,280)	0	0	0
Director Com & Env Serv	Employees	2022/23 Pay Award and Future years salary realignment	2,542	(3,772)	(3,865)	(3,865)
Development Plans	Employees	2022/23 Pay Award and Future years salary realignment	11,796	(32,936)	(31,408)	(31,408)
Hertfordshire Building Control	Employees	2022/23 Pay Award and Future years salary realignment	4,151	3,773	3,773	3,773
Total Infrastructure and planning policy			(159,333)	98,002	101,662	94,131
Economic Development						
Decriminalised Parking Enf Spa	Employees	2022/23 Pay Award and Future years salary realignment	5,156	4,633	4,633	4,633
GIS Officer	Employees	2022/23 Pay Award and Future years salary realignment	2,577	2,763	3,655	3,655
Total Economic Development			7,733	7,396	8,288	8,288
Total Infrastructure, Housing & Economic Development			(173,242)	(944)	16,082	8,551

Policy & Resources			2022/23 £	2023/24 £	2024/25 £	2025/26 £
Description	Main Group Heading	Details of Year end Variances to Latest Approved Budget				
Director Of Finance	Employees	2022/23 Pay Award and Future years salary realignment	2,541	(7,234)	(3,041)	(3,041)
Communication	Employees	2022/23 Pay Award and Future years salary realignment	15,678	197,195	199,844	199,844
	Supplies and Services	Data Protection Budget moved to major Incident Planning due to restructure of service	0	(2,900)	(2,900)	(2,900)
Legal Practice	Employees	2022/23 Pay Award and Future years salary realignment	14,837	10,987	11,383	11,383
	Income	Increase in Legal Income budget due to increasing the cost of officer time from £200 to £250 per hour, this work includes S106 agreements.	0	(11,250)	(11,250)	(11,250)
Committee Administration	Employees	2022/23 Pay Award and Future years salary realignment	8,593	(12,545)	(11,863)	(11,863)
Office Services	Supplies and Services	Full printing budget no longer required as all printing will be recharged to the services	0	(18,000)	(18,000)	(18,000)
Elections & Electoral Reg	Employees	2022/23 Pay Award and Future years salary realignment	7,697	13,664	13,796	13,796
Finance Services	Employees	2022/23 Pay Award and Future years salary realignment	42,960	(27,662)	(19,869)	(19,869)
	Income	Full Shared Service Income budget no longer required due to reduction in staffing budgets	0	16,597	11,921	11,921
Fraud	Employees	2022/23 Pay Award and Future years salary realignment	7,734	6,506	6,506	6,506
	Supplies and Services	Full budget on Legal Fees no longer required	0	(10,000)	(10,000)	(10,000)
	Income	Full Shared Service Income budget no longer required due to reduction in Legal Fees budget and pay award and salary realignment	0	2,096	2,096	2,096
Chief Executive	Employees	2022/23 Pay Award and Future years salary realignment	3,572	24,044	24,044	24,044
Performance Mgt & Scrutiny	Employees	2022/23 Pay Award and Future years salary realignment	2,578	2,249	2,249	2,249
Debt Recovery	Employees	2022/23 Pay Award and Future years salary realignment	27,585	(14,881)	(12,535)	(12,535)
	Income	Reduction in Shared Service income due to pay award and salary realignment	0	9,077	7,646	7,646
Executive Head of Service	Employees	2022/23 Pay Award and Future years salary realignment	2,541	100,609	104,358	104,358
Finance Client	Employees	2022/23 Pay Award and Future years salary realignment	3,868	(60,070)	(58,713)	(58,713)

Description	Main Group Heading	Details of Year end Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Business App Maintenance	Supplies and Services	Increased budget required of £19,545 for new 5 year IDOX contract from 2023/24 onwards, which will increase by RPI in subsequent years and for inflationary rise of GIS Contract of £11,930 from 2023/24 onwards	0	31,475	31,475	31,475
ICT Client	Employees	2022/23 Pay Award and Future years salary realignment	2,578	2,106	2,106	2,106
	Supplies and Services	Efficiency saving arising from ICT structure revision	0	(39,210)	(39,210)	(39,210)
Democratic Representation	Supplies and Services	Full budgets for Subsistence £200 and Miscellaneous IT £250 for Members no longer required	(450)	(450)	(450)	(450)
Benefits & Allowances	Employees	2022/23 Pay Award and Future years salary realignment	74,864	124,335	130,552	130,552
	Income	Increase in Shared Service income due to pay award and salary realignment	0	(70,871)	(74,415)	(74,415)
Council Tax Collection	Employees	2022/23 Pay Award and Future years salary realignment	35,602	(25,007)	(23,136)	(23,136)
	Income	Reduction in Shared Service income due to pay award and salary realignment	0	15,254	14,113	14,113
NDOR	Employees	2022/23 Pay Award and Future years salary realignment	5,162	4,584	4,584	4,584
	Income	Increase in Shared Service income due to pay award and salary realignment	0	(2,796)	(2,796)	(2,796)
Revs & Bens Management	Employees	2022/23 Pay Award and Future years salary realignment	2,578	1,753	1,753	1,753
	Income	Increase in Shared Service income due to pay award and salary realignment	0	(1,069)	(1,069)	(1,069)
Benefits Client	Income	Removal of Specific Grant Funding Rolled into Revenue Support Grant	0	74,550	74,550	74,550
Customer Service Centre	Employees	2022/23 Pay Award and Future years salary realignment	57,799	(70,752)	(60,763)	(60,763)
Customer Experience	Employees	2022/23 Pay Award and Future years salary realignment	2,541	87,324	91,213	91,213
District Elections	Supplies and Services	Increased costs due to no ability to share costs with County, Police & Crime Commissioner or parish elections	50,000	0	0	0
Parliamentary Elections	Supplies and Services	Loss on 2019 Parliamentary Election. Final claim now received	18,746	0	0	0
Major Incident Planning	Employees	2022/23 Pay Award and Future years salary realignment	2,541	1,869	2,000	2,000
	Supplies and Services	Data Protection Budget moved from Communication due to restructure of service	0	2,900	2,900	2,900

Description	Main Group Heading	Details of Year end Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Miscellaneous Income & Expenditure	Supplies and Services	£7,000 budget for Minimum Revenue Position moved to Interest Paid. Future years budgets no longer required for Miscellaneous Expenses £23,003 and Future Trading Activities £50,000.	(7,000)	(80,003)	(80,003)	(80,003)
Miscellaneous Properties	Employees	2022/23 Pay Award and Future years salary realignment	203	268	268	268
Asset Management - Property Services	Employees	2022/23 Pay Award and Future years salary realignment	23,091	13,146	13,530	13,530
Investment Properties	Income	Decrease in income due to be received from Investment Properties	0	309,911	249,501	217,775
Wimbledon	Income	Income due to be received	0	(200,000)	(200,000)	(500,000)
Salary Contingency	Employees	2022/23 Pay Award and Future years salary realignment. 1% reduction in Pension Costs and 2% salary increase contingency for 2025/26	(810,026)	(955,465)	(955,465)	(680,465)
Total Policy and Resources			(401,587)	(557,666)	(583,090)	(639,816)

TOTAL Variances for Period 8 (November) 2022	(273,674)	(465,344)	(673,030)	(737,287)
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Other						
	Main Group Heading	Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Interest Earned	Income	Increased Income generated from Treasury Management activities	0	(200,000)	(200,000)	(200,000)
Interest Paid	Capital Financing Charges	Minimum Revenue Provision (MRP) requirement for Capital Program, £7,000 moved from Miscellaneous Income and Expenditure and £373,839 budget required for future years	7,000	380,839	380,839	380,839
Total Other Variations			7,000	180,839	180,839	180,839

Funding			2022/23 £	2023/24 £	2024/25 £	2025/26 £
	Main Group Heading	Variances to Latest Approved Budget				
New Homes Bonus	Income	Decrease in allocation	0	76,520	0	0
Council Tax	Income	Increase in charge by 2.99% in 2023/24	0	(42,854)	(115,615)	(443,721)
Council Tax Collection Fund Deficit	Income	Deficit on Council Tax Collection Fund	0	94,638	0	0
Business Rates Growth	Income	Increase in allocation	0	(350,000)	(350,000)	0
Revenue Support Grant	Income	Additional Government Grant	0	(73,817)	(73,817)	(73,817)
Services Grant	Income	Additional Government Grant	0	(77,488)	(77,488)	(77,488)
Funding Guarantee	Income	Additional Government Grant	0	(383,139)	0	0
Lower Tier Grant	Income	Decrease in allocation	0	89,481	89,481	89,481
Total Funding Variations			0	(666,659)	(527,439)	(505,545)

Growth Bids			2022/23 £	2023/24 £	2024/25 £	2025/26 £
	Main Group Heading	Variances to Latest Approved Budget				
8	Premises	Trees & Landscapes - Alternative Grassland Management	0	30,000	30,000	30,000
	Premises	Trees & Landscapes - Ash Die Back	0	25,000	25,000	25,000
	Supplies & Services	Communications	0	10,000	10,000	10,000
	Supplies & Services	Revenue Impact of Capital PIDS	0	0	16,000	16,000
Total Growth Bids			0	65,000	81,000	81,000

FINANCIAL AND BUDGETARY KEY RISKS

APPENDIX 5

Date risk added to register	Risk ref	Risk owner	Category	Risk description	Comment	Likelihood score (inherent)	Impact score (inherent)	Inherent risk score	Risk controls	Risk control owners	Likelihood score (residual)	Impact score (residual)	Residual risk score	Risk direction	Action plan	Action plan owners	Action plan completion dates
Sep-15	FIN07	Director of Finance	Strategic	The Medium term financial position worsens.	In that the general fund balance falls below the minimum prudent threshold and capital funding is insufficient to meet the capital programme. This appears as item no.8 in the Council's strategic risk register.	4	4	16	Regular budget monitoring reports to committees; Budgetary and Financial Risk Register reviewed and updated as part of the budget monitoring process; identification of budgetary pressure when reviewing the medium term financial plan during the budget setting process; Audited Statement of Accounts, including Annual Governance Statement. Currently the 2019/20 annual accounts are awaiting sign off from the external auditors and 2020/21 annual accounts are well progressed.	Head of Finance	3	2	6	➡	Regular budget monitoring reports to committees; Budgetary and Financial Risk Register reviewed and updated as part of the budget monitoring process; identification of budgetary pressure when reviewing the medium term financial plan during the budget setting process which includes a risk assessment for the prudent level of general balances and an assessment of financial resilience with reference to the CIPFA Financial resilience index.	Heads of Service/ Head of Finance	Continuous
Apr-06	FIN08	Director of Finance	Budgetary	Revenue balances insufficient to meet estimate pay award increases	The Council's 3 year Medium term Financial Strategy includes forecast pay awards for the next three years. The Government's fair funding review is currently on hold	4	3	12	Maintain reserves to guard against risk. Early identification of new pressures. Budget Monitoring	Head of Finance	2	2	4	⬆	The Council's 3 year Medium term Financial Strategy includes forecast pay awards for the next three years. The Council maintains reserves to guard against risk including setting a prudent minimum level for general balances. Early identification of new pressures through Budget Monitoring	Head of Finance	Continuous
Apr-06	FIN09	Director of Finance	Budgetary	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	3	3	9	Monitor future inflation projections. Actively manage budgets to contain inflation. Maintain reserves.	Service Heads/Head of Finance	2	2	4	⬆	Monitor future inflation projections. Actively manage budgets and contracts to contain inflation. The Council maintains reserves to guard against risk including setting a prudent minimum level for general balances.	Head of Finance	Continuous
Jan-15	FIN10	Director of Finance	Budgetary	Interest rates resulting in significant variations in estimated interest income	The interest rate has a significant impact on the proceeds from capital receipts and other earmarked reserves that are invested in the money market. The volatility of the global economy continues to place uncertainty on the investment strategy.	3	3	9	PIB strategy has diversified interest rate risk to provide income security.	PIB/Head of Finance	2	3	6	➡	Monitoring ongoing income levels.	PIB	Continuous

Likelihood score (inherent)	Impact score (inherent)	Inherent risk score	Risk controls	Risk control owners	Likelihood score (residual)	Impact score (residual)	Residual risk score	Risk direction	Action plan	Action plan owners	Action plan completion dates
3	2	6	Budget levels realistically set and closely scrutinised	Service Heads/Head of Finance	2	2	4	➡	Fees and charges, including and surplus or loss are monitored through budget monitoring with key income streams reported to CMT.	Service Heads	Continuous
2	4	8	VAT Planning and opt to tax on schemes. VAT advisers employed.	Head of Finance	1	4	4	➡	Partial Exemption Review commissioned. Continue to opt to tax.	Head of Finance	Continuous
2	3	6	Service Heads to take responsibility for achieving savings. Budget monitoring to highlight any issues to allow corrective action to be taken.	Service Heads/Head of Finance	2	2	4	➡	Budget process to clearly identify savings to be achieved and ensure clarity over responsibility over delivery. Savings to be challenged.	Head of Finance	Continuous
2	3	6	Council procedures are adhered to	Solicitor to the Council	1	3	3	➡	Adherence to council procedures to be monitored and procedures maintained.	Solicitor to the Council	ongoing

Likelihood score (inherent)	Impact score (inherent)	Inherent risk score	Risk controls	Risk control owners	Likelihood score (residual)	Impact score (residual)	Residual risk score	Risk direction	Action plan	Action plan owners	Action plan completion dates
3	4	12	Maintain reserves against risk.	Head of Finance	3	3	9	→	Hertfordshire CFOs have commissioned work from LG Futures to assess the impact. SDCT also looking at impact nationally.	Director of Finance	Continuous
2	3	6	Project management team appointed to advise Council; Project management processes in place and reviewed regularly; Policy and Resources Committee receive regular reports on progress of project	Head of Property Services	2	2	4	→	Continue to manage project	Head of Property	Continuous
3	2	6	System migrated to latest version. Payments system updated.	Head of Finance	1	2	2	→	Monitor reliability	Head of Finance	Continuous
2	3	6	Portfolio to be actively managed to maintain income levels. Income to be reviewed regularly when MTFP is updated.	Head of Property Services	1	3	3	→	PIB to assume responsibility for ongoing oversight.	Head of Property Services	Continuous
3	2	6	Oversight mechanisms to be put in place to ensure oversight by PIB or similar mechanism. Council to determine approach to risk and level of income dependency within budget.	Head of Finance	2	2	4	→	Monitor new developments. Investments overseen by the cross party Shareholder and Commercial Ventures Panel.	Head of Property Services	Continuous
3	4	12	Improve depth of skills and knowledge. Bring in temporary additional resources as necessary.	Head of Finance	1	3	3	→	Following a revision of job descriptions, minor amendments to the structure, and a successful recruitment campaign over the summer, the Finance team is currently fully staffed. All staff have an annual Personal Development Review which contains smart objectives including objectives related to career development and identification of training needs and opportunities.	Chief Executive/ Director of Finance	Continuous

RESERVES

Category	Opening Balance 01/04/2022 £	Net Movement in Year £	Closing Balance 31/03/2023 £	Purpose
Revenue Reserves				
General Fund	(5,363,546)	1,376,682	(3,986,863)	Working balance to support the Council's revenue services. £2M is a suggested prudent minimum
Economic Impact (EIR)	(2,333,846)	462,519	(1,871,327)	To support the funding of unexpected/unplanned Council expenditure as a result of fluctuations in the economy.
Total Revenue	(7,697,392)	1,839,201	(5,858,190)	
Capital Reserves				
Capital Receipts	0	(301,800)	(301,800)	Generated from sale of Council assets
New Homes Bonus	(2,395,311)	0	(2,395,311)	Government grant set aside for supporting capital expenditure
Section 106	(1,235,257)	(561,037)	(1,796,294)	Developers contributions towards facilities
Grants & Contributions	(1,063,531)	(665,264)	(1,728,795)	Disabled Facility Grants and other contributions
Reserve for Capital expenditure	0	0	0	Reserve set aside for supporting capital expenditure
Total Capital	(4,694,099)	(1,528,101)	(6,222,200)	
Other Earmarked Reserves				
Leavesden Hospital Open Space	(769,124)	0	(769,124)	To maintain open space on the ex-hospital site
Abbots Langley - Horsefield	(1,050,333)	0	(1,050,333)	Developer contributions towards maintenance of site
Community Infrastructure Levy (CIL)	(6,194,685)	(999,000)	(7,193,685)	Developer contributions towards Infrastructure
Environmental Maintenance Plant	(123,595)	0	(123,595)	Reserve to fund expenditure on plant & machinery
Building Control	(210,514)	0	(210,514)	To provide against future losses and/or borrowing against Hertfordshire Building Control Ltd
HB Equalisation	(237,755)	0	(237,755)	To provide against future deficits on the Housing Benefit account
Grants & Contributions	(292,891)		(292,891)	Revenue Grants earmarked for use in future years
Total Other	(8,878,897)	(999,000)	(9,877,897)	
Total All	(21,270,388)	(687,900)	(21,958,287)	

APPENDIX 7

Proposed Garage Charges 2023/24

Garage Site	No of Rented Garages	Total Garages	Current Rents 2022/23		Proposed Rents 2023/24		
			Weekly Rent Incl VAT	Refurbished as part of garage refurb	2023/24 Weekly Rent Incl VAT	Weekly Increase (£)	% Increase
AINSDALE ROAD	2	3	£ 21.00		£ 22.05	1.05	5.0%
ALEXANDRA ROAD	22	30	£ 24.00	2018	£ 26.60	2.60	10.8%
ANTHONY CLOSE	15	16	£ 21.00	2018	£ 23.30	2.30	11.0%
ASHLEYS	8	12	£ 21.00	2020	£ 23.30	2.30	11.0%
BALDWINS LANE	18	18	£ 25.00		£ 26.25	1.25	5.0%
BARNHURST PATH	4	4	£ 21.00	2018	£ 23.30	2.30	11.0%
BELL CLOSE	5	6	£ 21.00	2018	£ 23.30	2.30	11.0%
BERESFORD ROAD	12	14	£ 21.00		£ 22.05	1.05	5.0%
BLACKFORD ROAD	31	38	£ 21.00		£ 22.05	1.05	5.0%
BLUEBELL DRIVE	15	18	£ 21.00		£ 22.05	1.05	5.0%
BRADBURY	11	12	£ 19.80	2020	£ 21.95	2.15	10.9%
BREAKSPEARE ROAD	3	3	£ 25.00	2018	£ 27.70	2.70	10.8%
BUCKLANDS	7	11	£ 21.00		£ 22.05	1.05	5.0%
BULLSLAND GARDENS	8	12	£ 25.00	2018	£ 27.70	2.70	10.8%
BUTTLEHIDE	25	41	£ 19.80	2020	£ 21.95	2.15	10.9%
CHILTERN DRIVE	11	12	£ 21.00		£ 22.05	1.05	5.0%
CHURCH HILL	3	3	£ 21.00	2018	£ 23.30	2.30	11.0%
COPMANS WICK	24	26	£ 25.00		£ 26.25	1.25	5.0%
COUNCIL COTTAGES	4	6	£ 25.00		£ 26.25	1.25	5.0%
DOWNER DRIVE	3	17	£ 24.00		£ 25.20	1.20	5.0%
DUGDALES	3	4	£ 25.00	2020	£ 27.70	2.70	10.8%
EDINBURGH AVENUE	11	12	£ 21.00		£ 22.05	1.05	5.0%
FLEETWOOD WAY	7	8	£ 21.00		£ 22.05	1.05	5.0%
FROGMOOR COURT	1	1	£ 26.40		£ 27.72	1.32	5.0%
GROVE CRESCENT	77	86	£ 25.00	2015	£ 27.70	2.70	10.8%
HALLOWES CRESCENT	18	20	£ 21.00		£ 22.05	1.05	5.0%
HAMILTON ROAD	7	8	£ 25.00		£ 26.25	1.25	5.0%
HAMILTON ROAD	14	18	£ 21.00		£ 22.05	1.05	5.0%
HARROGATE ROAD	6	7	£ 21.00	2018	£ 23.30	2.30	11.0%
HAYLING ROAD	29	34	£ 21.00	2015	£ 23.30	2.30	11.0%
HIGH STREET	9	9	£ 25.00	2015	£ 27.70	2.70	10.8%
HORSLEYS	8	10	£ 19.80		£ 20.79	0.99	5.0%
HUBBARDS ROAD	14	16	£ 25.00		£ 26.25	1.25	5.0%
JACKETTS FIELD	29	35	£ 24.00	2018	£ 26.60	2.60	10.8%
LITTLE OXHEY LANE	18	21	£ 21.00	2018	£ 23.30	2.30	11.0%
LONGCROFT ROAD	36	49	£ 19.80	2020	£ 21.95	2.15	10.9%
LOVATTS	4	4	£ 25.00	2020	£ 27.70	2.70	10.8%
MARKESTON GREEN	20	23	£ 21.00		£ 22.05	1.05	5.0%
MONEYHILL COURT	2	3	£ 21.00	2018	£ 23.30	2.30	11.0%
MORRISTON CLOSE	15	18	£ 21.00		£ 22.05	1.05	5.0%
NAIRN GREEN	9	11	£ 21.00		£ 22.05	1.05	5.0%
OAKFIELD	16	21	£ 21.00		£ 22.05	1.05	5.0%
OTLEY WAY	15	17	£ 21.00		£ 22.05	1.05	5.0%
OWENS WAY	40	43	£ 25.00	2018	£ 27.70	2.70	10.8%
PARSONAGE CLOSE	23	26	£ 25.00		£ 26.25	1.25	5.0%
POLLARDS	14	20	£ 19.80		£ 20.79	0.99	5.0%
PRESTWICK ROAD	19	21	£ 21.00		£ 22.05	1.05	5.0%
QUICKWOOD CLOSE	22	28	£ 21.00	2020	£ 23.30	2.30	11.0%
ROSEHILL GARDENS	18	19	£ 24.00		£ 25.20	1.20	5.0%
RYMAN COURT	31	36	£ 24.00	2015	£ 26.60	2.60	10.8%
SHERWOOD HOUSE	6	6	£ 25.00	2018	£ 27.70	2.70	10.8%
SKIDMORE WAY	23	25	£ 25.00	2018	£ 27.70	2.70	10.8%
ST LAWRENCE CLOSE	1	1	£ 25.00		£ 26.25	1.25	5.0%
THE QUEENS DRIVE	12	23	£ 21.00		£ 22.05	1.05	5.0%
TIBBS HILL ROAD	23	30	£ 25.00		£ 26.25	1.25	5.0%
TOMS LANE	9	10	£ 21.00	2018	£ 23.30	2.30	11.0%
TUDOR WAY	10	12	£ 21.00	2020	£ 23.30	2.30	11.0%
WHITFIELD WAY	24	25	£ 21.00	2020	£ 23.30	2.30	11.0%
WINDSOR WAY	14	18	£ 21.00	2020	£ 23.30	2.30	11.0%
WOODHALL LANE	24	27	£ 21.00		£ 22.05	1.05	5.0%
WOODWICKS	7	9	£ 19.80	2020	£ 21.95	2.15	10.9%

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POLICY AND RESOURCES COMMITTEE – 23 JANUARY 2023

PART I - NOT DELEGATED

9. **FINANCIAL PLANNING – CAPITAL STRATEGY AND THE TREASURY MANAGEMENT POLICY** (DoF)

1. **Summary**

- 1.1 The purpose of this report is to enable the Policy and Resources Committee to recommend to the Council its capital strategy and treasury management policy over the medium term (2023/24 to 2025/26). This report is the second of three that is covered under the recommendations report at **Item 10** on this agenda.

2. **Details**

- 2.1 The capital strategy (the Strategy) is designed to give a clear and concise view of how the council determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite. It is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

- 2.2 The framework the government uses to control how much councils can afford to spend on capital investment is known as the Prudential Framework. The objectives of the Prudential Code, which sets out how this framework is to be applied, are to ensure that local authorities' capital investment plans are:

- affordable, prudent, and sustainable,
- that treasury management decisions are taken in accordance with good professional practice, and
- that local strategic planning, asset management planning and proper option appraisal are supported.

- 2.3 This capital strategy sets out how the Council will achieve the objectives set out above.

Capital Investment Programme - Expenditure

- 2.4 Capital Investment is the term used to cover all expenditure by the council that can be classified as capital under legislation and proper accounting practice. This includes expenditure on:

- property, plant and equipment,
- heritage assets,
- investment properties., and
- loans to subsidiaries and joint ventures

- 2.5 Property, plant and equipment includes assets that have physical substance and are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes. They are expected to be used during more than one financial year. Expenditure on the acquisition, creation or enhancement of these assets is capitalised on an accruals basis, provided that the Council is likely to benefit from the future economic benefits or service potential and the cost of the item can be measured reliably. Expenditure on repairs and maintenance is charged to the revenue account when it is incurred.

- 2.6 Heritage Assets are held with the objective of increasing knowledge, understanding and the appreciation of the Council's history and local area.

- 2.7 Investment properties are those that are used solely to earn rentals and/or for increases in value. The definition is not met if the property is used in any way for the delivery of services or production of goods or is held for sale.
- 2.8 Detailed accounting policies in relation to assets and capital expenditure may be found in the annual statement of accounts.
- 2.9 **Appendix 1** shows the 2022/23 revised capital budget and draft capital budgets for the period 2023/24 to 2025/26. The appendix contains the title, description and officers' comments relating to the progress of the 2022/23 schemes. A summary of the proposed capital programme is set out in the following table:

Capital Investment Programme	Actual 2021/22 £m	Forecast Year End 2022/23 £	Proposed Budget 2023/24 £	Proposed Budget 2024/25 £	Proposed Budget 2024/25 £m
Leisure, Environment and Community	1.576	4.289	1.325	1.758	1.758
Infrastructure, Housing and Economic Development	0.800	2.241	0.887	0.887	0.887
Policy and Resources	0.801	1.631	0.885	0.935	0.795
Major Projects	0.533	10.823	0.000	0.000	0.000
Total Capital Investment	3.710	18.984	3.096	3.579	3.439

- 2.10 The 2022/23 programme has increased from the latest approved budget by **£0.561m**. This includes re-phasing of a scheme into 2023/24, budget savings and the inclusion of two new schemes being funded by CIL and increasing the investment in two existing schemes funded by CIL. The schemes that contribute to this variation to budget are as follows:
- Rephasing of ICT Website Development budget (£0.015m)
 - Capital Grants and loans budget no longer required (£0.004m)
 - Cycle Schemes budget given up (replaced with CIL) (£0.078m)
 - Retail Parades budget given up (replaced with CIL) (£0.155m)
 - Grand Union Canal Towpath Upgrade CIL expenditure £0.172m
 - EV Charging Points CIL expenditure £0.460m
 - Denham Way MUGA £0.087m
 - South Oxhey Playing Fields £0.094m
- 2.11 Variances to the medium term capital programme which have been identified up to the end of November and are shown in detail at **Appendix 2**.
- 2.12 Following the re-phasing, the capital programme for 2022/23 now totals **£18.984m**. The services capital programme included in MTFP shows schemes totalling **£3.096m** in 2023/24; **£3.579m** in 2024/25 and **£3.439m** in 2025/26.
- 2.13 The larger capital schemes over the next three financial years include:
- Disabled Facility Grants - £1.758m
 - Waste and Recycling Vehicles - £2.245m
 - Replacement Grounds Maintenance Vehicles – £1.260m
 - Garage Improvements - £0.450m
- 2.14 There is a proposal for one new scheme for 2023/24:
- Watersmeet Projector - £0.080m

Capital Investment Programme – Funding

- 2.15 The Capital Investment Programme can be funded from a variety of sources. Explanations of the funding sources are set out in the following paragraphs.
- 2.16 Government Grants & Other Contributions: These are grants for specific purposes which may be available from the Government, e.g. Disabled Facility Grants. The Council can also attract partnership funding from other local authorities and agencies e.g. Local Enterprise Partnership (LEP). The Council has also benefited in the past from other funding such as lottery grants.
- 2.17 Section 106 Contributions: These are contributions from developers to the public services and amenities required for the development. These have been in part replaced by the Community Infrastructure Levy. Current Section 106 monies are guaranteed.
- 2.18 Capital Receipts Reserve: Capital receipts are derived when selling assets such as land. The main receipt relates to the arrangements made when the Council sold its housing stock to Thrive Homes Ltd in 2008; the Transfer Agreement included a Right to Buy (RTB) Sharing Agreement whereby the Council is entitled to a share of the post-transfer receipts from RTB sales and a 'VAT Shelter Agreement' whereby the Council benefits from the recovery of VAT on continuing works carried out by Thrive. The current MTFP forecasts that this reserve will be fully utilised to support the capital programme.
- 2.19 Revenue Contributions: Revenue balances from the General Fund may be used to support capital expenditure.
- 2.20 New Homes Bonus Reserve: New Homes Bonus is a grant relating to the number of new homes delivered in a local authority area. There are no government restrictions on whether this is capital or revenue, nor is there any ring-fence imposed. It is anticipated that there would be a reduction in the amount received from 2023/24 onwards.
- 2.21 Borrowing: The Council is allowed to borrow to support its capital expenditure as long as this is prudent, sustainable, and affordable. The Council has borrowed to support the new leisure centre provision in South Oxhey. Where the Council decides to borrow to fund capital expenditure the annual cost of borrowing is included within the revenue budget.
- 2.22 The capital programme includes an assessment of likely available resources to finance capital expenditure and includes assumptions regarding capital receipts, which have been estimated at £1.100m in 2023/24 and £1.000m in future years.
- 2.23 **Appendix 3** shows the sources of capital funding proposed over the period 2022/23 to 2025/26, including the funding generated in each year and balances carried forward at the end of each year. The funding for the proposed capital programme is set out in the table on the following page:

Funding	Actual 2021/22 £m	Forecast Year End 2022/23 £	Proposed Budget 2023/24 £	Proposed Budget 2024/25 £	Proposed Budget 2024/25 £m
Grants	0.410	0.665	0.586	0.586	0.586
Reserves	2.131	2.506	0.110	0.095	0.095
Capital Receipts	0.816	1.100	1.100	1.000	1.000
Section 106 and CIL	0.083	1.605	0.000	0.000	0.000
Borrowing	0.268	13.108	1.300	1.898	1.758
Total Funding Applied	3.710	18.984	3.096	3.579	3.439

2.24 **Appendix 4** shows details of all Section 106 contributions currently received and available to use.

Future Investment

2.25 Future Investment Schemes will be assessed on the basis of a full business case which will include full resourcing for the project and an assessment of affordability. Priority areas for future capital investment are:

- Schemes that generate a financial surplus for the Council; and in particular those that increase the supply of housing locally (for example through the joint ventures with Watford Community Housing and Thrive).
- Schemes that generate revenue budget savings for the Council.
- Schemes that allow the Council to benefit from future economic regeneration potential within the local area; especially those that attract additional investment into the local area from regional or national agencies.
- Schemes that provide additional or improved services to the Council's residents, in line with the Council's Strategic Plan.

2.26 The Council will continue to seek opportunities to work in partnership with others to promote economic development and the provision of housing within Three Rivers wider economic area. Current partners include Countrywide Properties for the South Oxhey scheme, along with Watford Community Homes and Thrive Homes as the two major local registered social providers.

2.27 The Council has established Three Rivers Commercial Services to allow it to work more closely with providers and exploit future commercial opportunities. The Council currently has two joint ventures with Watford Community Housing, Three Rivers Development LLP and Three Rivers Homes Ltd.

3. Treasury Management

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

3.2 The Treasury Management Strategy Statement (**Appendix 5**) details the policies, practices, objectives and approaches to risk management of its treasury management activities, which is to be monitored by the Audit Committee. The Council's investment strategy's primary objectives are safeguarding the repayment of the principal and interest of its investments on time, and then ensuring adequate liquidity, with the

investment return being the final objective. The strategy allows the Director of Finance, in consultation with the Lead Member, the delegated authority to approve any variation to the Treasury Management Strategy during the year with the objective of maximising the Council's returns without significantly increasing risk. This could include use of other investment instruments such as Government bonds or Gilts.

- 3.3 The Council's Treasury Management advisors, Link Group have provided the following interest rate forecast for the medium term:

Link Group Interest Rate View 19.12.22													
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

4. Prudential Indicators

- 4.1 All Local Authorities are required to set prudential indicators for the forthcoming year and following years before the beginning of the forthcoming year. The indicators must be set by full Council.
- 4.2 The prudential indicators fall into two main categories of 'Prudence' and 'Affordability'. The indicators for Prudence are further separated between those relating to the Council's capital expenditure plans and those relating to levels of external debt.

Prudence – Capital Expenditure

- 4.3 The Capital Financing Requirement (CFR) is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR. An increase in the CFR does not necessarily mean that the council will borrow externally to fund the increase. The Council manages its cash balances as a whole and may choose to use internal cash (generated by holding reserves and through timing differences between income and expenditure).
- 4.4 The table below sets out the Council's estimates of capital expenditure over the medium term financial planning period and the estimated impact on the Council's CFR.

	2022/23	2023/24	2024/25	2025/26
	Forecast	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Total Proposed Capital Expenditure	18.984	3.096	3.579	3.439
Capital Financing:				
Grants	(0.665)	(0.586)	(0.586)	(0.586)
Reserves	(2.506)	(0.110)	(0.095)	(0.095)
Capital Receipts	(1.100)	(1.100)	(1.000)	(1.000)
Section 106 and CIL	(1.605)	0.000	0.000	0.000
Total Funding	(5.876)	(1.796)	(1.681)	(1.681)
Gap	13.108	1.300	1.898	1.758
Repayment of Borrowing – South Oxhey Initiative	(6.354)	0.000	0.000	0.000
MRP	(0.168)	(0.172)	(0.374)	(0.374)
Opening CFR	19.200	25.786	26.914	35.787
Closing CFR	25.786	26.914	35.787	37.536

Note the opening CFR is subject to restatement following the conclusion of the 2019/20 and 2020/21 external audits.

Prudence – External Debt

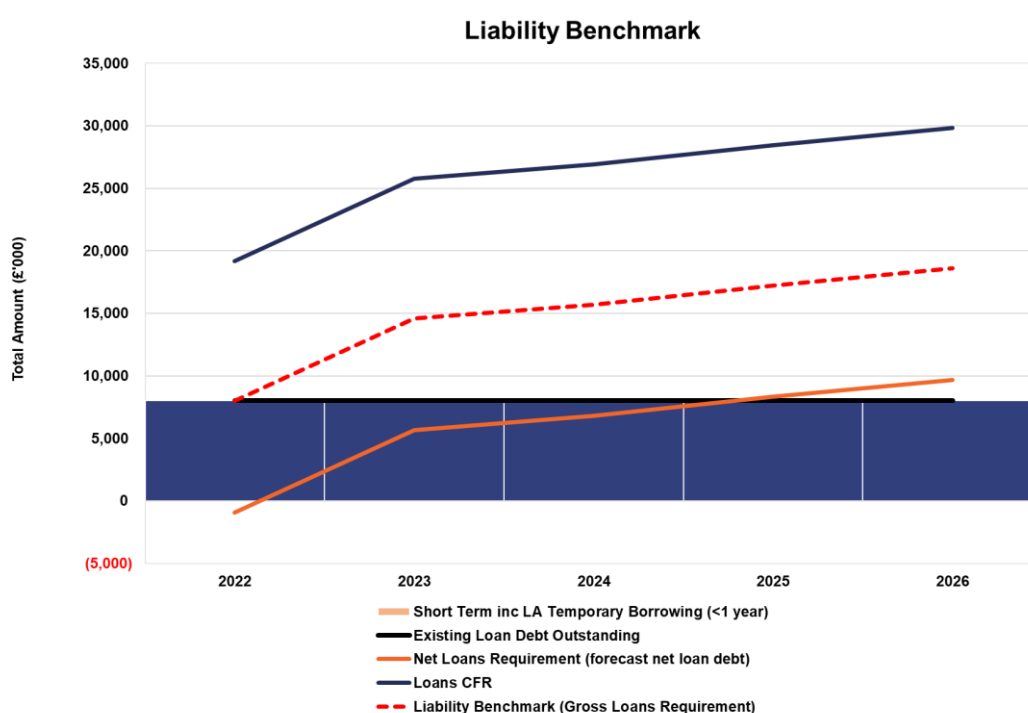
- 4.5 There are two limits on external debt: the ‘Operational Boundary’ and the ‘Authorised Limit’. Both are consistent with existing plans and the proposals in the budget report for capital expenditure and financing, and with approved treasury management policy statement and practices.
- 4.6 These prudential indicators ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and next two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.
- 4.7 The Operational Boundary is the limit beyond which external borrowing is not normally expected to exceed. In most cases this would link directly to the authority’s plans for capital expenditure, its estimates for CFR and its estimate of cashflow requirements for the year for all purposes. The Council may need to borrow, this limit represents a contingency should the need arise.

Operational Boundary	2022/23 £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Borrowing	30.000	30.000	36.000	38.000

- 4.8 The Authorised Limit for External Borrowing controls the overall level of borrowing and represents the limit beyond which external long and short term borrowing is prohibited, and this limit needs to be set or revised by the Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (2) of the Local Government Act 2003.

Authorised Limit	2022/23 £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Borrowing	32.000	42.000	38.000	40.000

- 4.9 **Treasury Management Indicator – The Liability Benchmark**
The Treasury Management Code of Practice requires local authorities to calculate their Liability Benchmark. The benchmark includes a projection of external debt required over the long term to fund the organisation's approved budgets and plans compared to the Forecast of total borrowing outstanding. The benchmark should be used to evaluate the amount, timing and maturities needed for new borrowing in relation to the organisation's planned borrowing needs in order to avoid borrowing too much, too little, too long or too short.



- Affordability**
- 4.10 The fundamental objective in the consideration of the affordability of the authority's capital plans is to ensure that the level of investment in capital assets proposed means that the total capital investment of the authority remains within sustainable limits.
- 4.11 In considering the affordability of its capital plans, the authority is required to consider its forecast financial position, including all of the resources currently available to it and estimated for the future, together with the totality of its capital, borrowing and investment plans, income and expenditure forecasts and risks.
- 4.12 The following indicators provide an indication of the impact of the capital investment plans on the Council's overall finances.
- Financing costs to net revenue stream**
- 4.13 This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream. The net

revenue stream is the Council's core funding of Council Tax, Business rates, and unringfenced central government grants. Investment income includes interest from Treasury Management activities and interest from loans to joint ventures and subsidiaries.

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Net Cost of Capital	(0.054)	0.039	0.013	0.023	0.023
Net Revenue Stream	11.363	12.798	13.444	13.587	13.365
Ratio %	-0.5%	0.3%	0.1%	0.2%	0.2%

Net income from commercial investment to net revenue stream

4.14 This indicator is intended to show the financial exposure of the authority to the loss of income.

4.15 Net income from commercial investments comprises net income from financial investments (other than treasury management investments), together with net income from other assets held primarily for financial return, such as commercial property.

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Commercial Investment Income	0.979	1.100	1.090	1.150	1.482
Net Revenue Stream	11.363	12.798	13.444	13.587	13.365
Ratio %	8.6%	8.6%	8.1%	8.5%	11.1%

5. The Minimum Revenue Provision (MRP) Strategy and Policy Statement

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

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

5.3 Government Regulations require the Council to approve a MRP Statement in advance of each year. The Council's MRP policy statement is at **Appendix 6**.

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

5.5 Where the Council decides to borrow to fund capital expenditure the annual cost of borrowing is included within the revenue budget.

6. Skills and Knowledge and Professional Advice

- 6.1 The Council has a shared service with Watford Borough Council for the provision of the finance function allowing access to a greater range of professional skills than would otherwise be available if each council had a separate team. The council uses external advisers on all major projects.
- 6.2 The Council contracts with Link Asset Services for the provision of Treasury advice. Link Asset Services provide non-regulated advice on the management of the council's cash flows, investments and borrowings and a markets information service. The Council's VAT advisers are PSTax.

7. Risk

- 7.1 Financial risks are closely monitored as a separately identifiable part of the corporate risk management framework. The Council's risk appetite is evolving as it becomes involved in a wider range of major property lead investments both within its economic area linked to regeneration and more widely for income generation purposes.
- 7.2 The Council takes advice from its professional advisers to both identify and mitigate the key risks it faces and ensures that all decisions are made with an understanding of the risks involved.
- 7.3 Whilst recognising the importance of generating income to support services, the Council will ensure that its external income is actively managed to safeguard the future financial sustainability of the council. In this respect it will continue to seek to balance income from its commercial investment activities against its overall level of risk and the amount of reserves available to mitigate this risk.
- 7.4 In assessing the risk of its commercial investments the Council will consider the level of risk inherent in the income stream, the security held, its ability to realise assets or other security should the need arise and the level of income received from commercial investments compared to the total income of the council.

8. Options/Reasons for Recommendation

- 8.1 The recommendations at agenda Item 10 enable the Committee to make recommendations to the Council on 21 February 2023 concerning the Council's budget.

9. Policy/Budget Reference and Implications

- 9.1 The recommendations in this report contribute to the process whereby the Council will approve and adopt its strategic, service and financial plans under Article 4 of the Council's Constitution.

10. Equal Opportunities, Legal, Staffing, Environmental, Community Safety, Customer Services Centre and Communications, Health & Safety & Website Implications

- 10.1 None specific.

11. Financial Implications

- 11.1 As contained in the body of the report.

12. Risk Management Implications

- 12.1 There are no risks to the Council in agreeing the recommendation below.

13. Recommendation

- 13.1 That the report is noted.

Report prepared by: Sally Riley- Business Partner
Report Checked by: Hannah Doney - Head of Finance

Background Papers

Reports and Minutes of;

- The Policy and Resources Committee
- Council

Appendices

1. Capital Investment Programme 2022/23 to 2025/26 - Expenditure
2. Capital Investment Programme 2022/23 to 2025/26 - Variances
3. Capital Investment Programme 2022/23 to 2025/26 - Funding
4. Section 106 Balances 2022/23
5. Treasury Management Strategy Statement
6. Minimum Revenue Provision (MRP) Strategy and Policy Statement

The recommendations contained in this report DO NOT constitute a KEY DECISION but contribute to the process whereby the Council will approve and adopt its Strategic, Service and Financial Plans under Article 4 of the Council's Constitution

CAPITAL INVESTMENT PROGRAMME 2022/23 to 2025/26 – EXPENDITURE

Leisure, Environment & Community									
Community Safety & Partnership	Original Budget 2022/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
Capital Grants & Loans	0	3,631	0	0	(3,631)	0	20,000	20,000	Budget not required this financial year
Community CCTV	6,000	6,805	887	6,805	0	6,000	6,000	6,000	Budget will be spent
Total	6,000	10,436	887	6,805	(3,631)	6,000	26,000	26,000	
Leisure	Original Budget 2022/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
Heritage & Tourism Initiative	0	0	0	0	0	0	0	0	Budget is funded entirely from the National Lottery Heritage Fund and S106 monies
Denham Way MUGA	347,000	347,000	14,311	433,750	86,750	0	0	0	Planning has been awarded for project, implementation due to commence early 2023. 25% increase (£86,750) in CIL allocation agreed at Full Council 13 December 2022 for supply chain cost increases
Barton Way MUGA	0	29,979	0	29,979	0	0	0	0	Project planned for installation in February/March 2023
Alternative Grassland Management	0	40,000	37,845	40,000	0	0	0	0	Budget will be spent. Awaiting invoice and delivery of final item of equipment. Storage Container to be purchased for ride on mower
Aquadrome	22,500	23,416	13,167	23,416	0	22,500	22,500	22,500	Budget will be spent - Algae Control Monitoring System for both lakes.
Outdoor Fitness Zones	54,400	108,800	0	108,800	0	27,200	0	0	Designs are currently being considered as part of the planning process. Budget due to be spent by the end of the financial year.

Leisure cont.	Original Budget 2022/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
South Oxhey Playing Fields	375,000	375,000	0	468,750	93,750	0	0	0	Tender has been awarded following public consultation. Final designs are due to be submitted for planning consideration. 25% Increase (£93,750) in CIL allocation agreed at Full Council 13 December 2022 for supply chain cost increases
Watersmeet Electrical	40,000	40,000	0	40,000	0	0	0	0	Full budget to be spent once works completed in March 2023
Scotsbridge-Chess Habitat	8,190	8,190	0	8,190	0	0	0	0	Project being led by Countryside Management Service and part funded by TRDC. Funding due to be spent by March 2023.
Leisure Facilities Improvement	16,000	21,039	18,086	21,039	0	0	0	0	Budget will be spent
Open Space Access Improvements	60,000	95,400	21,018	95,400	0	60,000	60,000	60,000	Budget due to be spent by the end of the financial year.
Improve Play Area-Future Schemes	15,000	38,507	0	38,507	0	115,000	120,000	120,000	Budget to be part funded by other organisations including Batchworth Community Council (Eastbury Outdoor Gym) and Croxley Green Parish Council
Aquadrome-Whole Life Costing	11,000	11,798	2,970	11,798	0	11,000	11,000	11,000	This budget will be fully spent by the end of the financial year. Initial projects have been identified as part of the Management Plan.
Watersmeet-Whole Life Costing	20,000	20,000	15,842	20,000	0	20,000	20,000	20,000	Budget will be spent
Pavilions-Whole Life Costing	11,000	11,000	1,188	11,000	0	11,000	11,000	11,000	Budget will be spent
Watersmeet Projector	0	0	0	0	0	80,000	0	0	Growth Bid item for 2023/24
Sub-total Leisure	980,090	1,170,129	124,427	1,350,629	180,500	346,700	244,500	244,500	

Environmental Services	Original Budget 2022/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
Waste Plant & Equipment	25,000	63,958	42,236	63,958	0	25,000	25,000	25,000	Budget will be spent
Waste Services Depot	300,000	459,348	410,594	459,348	0	0	0	0	Budget will be spent
Replacement Bins	115,000	115,000	99,904	115,000	0	115,000	115,000	115,000	Budget will be spent
Waste & Recycling Vehicles	1,887,000	1,887,000	420,198	1,887,000	0	645,000	800,000	800,000	Budget will be spent this year, however capital programme will need to be reviewed due to vehicle maintenance contract expiring in 2026.
Energy Performance Certificate	2,000	2,000	1,015	2,000	0	2,000	2,000	2,000	Budget will be spent
Cemetery-Whole Life Costing	5,000	5,854	2,303	5,854	0	5,000	5,000	5,000	Budget will be spent
Replacement Ground Maintenance Vehicles	397,923	397,923	313,706	397,923	0	180,000	540,000	540,000	Budget will be spent this year, however capital programme will need to be reviewed due to vehicle maintenance contract expiring in 2026.
Sub-Total Environmental Services	2,731,923	2,931,083	1,289,956	2,931,083	0	972,000	1,487,000	1,487,000	
Total Leisure, Environment & Community	3,718,013	4,111,648	1,415,270	4,288,517	176,869	1,324,700	1,757,500	1,757,500	

Infrastructure Housing & Economic Development									
Economic Development	Original Budget 2022/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
Cycle Schemes	74,583	78,383	0	0	(78,383)	25,000	25,000	25,000	Budget removed due to use of CIL for new Towpath Project
Disabled Parking Bays	2,500	2,500	1,661	2,500	0	2,500	2,500	2,500	Budget will be spent
Grand Union Canal Towpath Upgrade	0	0	0	172,282	172,282	0	0	0	CIL Budget approved at 12 September P&R Committee for Grand Union Canal Towpath Upgrade
EV Charging Points	0	0	0	460,000	460,000	0	0	0	CIL Budget approved at 12 September P&R Committee for EV Charging Points
Controlled Parking	181,975	181,975	33,567	181,975	0	50,000	50,000	50,000	Budget will be spent
Princes Trust- Business Start-up	10,000	10,000	0	10,000	0	10,000	10,000	10,000	A Service Level Agreement is in place, the budget will be spent by year end.
Listed Building Grants	2,500	1,500	0	1,500	0	2,500	2,500	2,500	Full budget not required. Demand Led service, no applications received to date
South Oxhey Initiative	0	13,277	6,343	13,277	0	0	0	0	Budget will be spent
Parking Bay & Verge Protection	150,000	163,239	0	163,239	0	40,000	40,000	40,000	Budget will be spent
Highways Enhancement	244,384	225,144	0	225,144	0	50,000	50,000	50,000	Budget will be spent
Bus Shelters	18,000	18,000	0	18,000	0	9,000	9,000	9,000	Budget will be spent
Retail Parades	224,849	174,179	19,184	19,179	(155,000)	30,000	30,000	30,000	Budget removed due to use of CIL for EV Charging Points
Carbon Neutral Council	0	4,000	0	4,000	0	0	0	0	Budget will be spent
Rickmansworth Work Hub	28,606	28,606	0	28,606	0	0	0	0	Budget will be spent
Car Park Restoration	35,000	35,593	7,489	35,593	0	35,000	35,000	35,000	Annual survey underway which will identify planned works
Estates, Paths & Roads	25,000	27,694	10,213	27,694	0	20,000	20,000	20,000	Budget will be spent
TRDC Footpaths & Alleyways	40,000	43,472	1,497	43,472	0	25,000	25,000	25,000	Budget will be spent
Integration of Firmstep to uniform Licensing applications	0	5,150	0	5,150	0	0	0	0	Ongoing project
Sub-total Economic Development	1,037,397	1,012,712	79,954	1,411,611	398,899	299,000	299,000	299,000	

Housing	Original Budget 2022/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
Disabled Facilities Grant	586,000	827,799	455,704	827,799	0	586,000	586,000	586,000	Budget will be spent
Home Repairs Assistance	10,000	2,000	0	2,000	0	2,000	2,000	2,000	Demand Led service, no applications received to date.
Sub-total Housing	596,000	829,799	455,704	829,799	0	588,000	588,000	588,000	
Total Infrastructure Housing & Economic Development	1,633,397	1,842,511	535,658	2,241,410	398,899	887,000	887,000	887,000	

Policy & Resources									
Resources & Shared Services	Original Budget 2022/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
Professional Fees-Internal	157,590	157,590	0	157,590	0	157,590	157,590	157,590	This is for internal staff support on capital schemes and is actioned at the end of the financial year.
Trowley Rise Project	0	57,000	0	57,000	0	0	0	0	Budget will be spent
Election Equipment	6,000	11,216	2,706	11,216	0	6,000	6,000	6,000	Budget will be spent
Street Lighting Replacement	130,000	130,000	1,875	130,000	0	0	0	0	Tender returns due in December works to commence in January. Profile of budget will be determined when programme is received
Members' IT Equipment	16,260	62,950	0	62,950	0	16,260	16,260	16,260	Delay due to supply issues. currently testing 2 models for implementation
ICT-Managed Project Costs	180,000	240,000	0	240,000	0	240,000	240,000	60,000	Budget will be spent
Hardware Replace Prog	55,000	0	0	0	0	0	0	40,000	
Garage Improvements	220,000	294,996	49,030	294,996	0	150,000	150,000	150,000	Budget will be spent
ICT Licence Costs	130,000	0	0	0	0	0	0	0	
Customer Contact Programme	0	3,698	0	3,698	0	0	0	0	Budget will be spent
ICT Website Development	0	14,870	0	0	(14,870)	14,870	0	0	To be rephased to 2023/24 for development and integration of 3rd party platforms
ICT Elections	17,000	0	0	0	0	0	0	0	
ICT Hardware Replacement Prog	45,000	17,000	0	17,000	0	50,000	114,824	45,000	Budget will be spent
TRH Whole Life Costing	280,000	509,950	82,819	509,950	0	170,000	170,000	170,000	Installation of an Air Source Heat pump for water and heating at Three Rivers House. The balance is being funded by a government grant and will provide sufficient carbon savings to support the Council's route to zero
Basing House-Whole Life Costing	60,000	60,000	1,076	60,000	0	60,000	60,000	60,000	Currently awaiting quotes for extensive works
Business Application Upgrade	180,000	0	0	0	0	20,000	20,000	90,000	

Resources & Shared Services Cont.	Original Budget 202/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
Three Rivers House Transformation	210,000	36,583	11,248	36,583	0	0	0	0	Budget will be spent
Property Information System	0	50,000	11,819	50,000	0	0	0	0	Budget will be spent
Sub-total Resources & Shared Services	1,686,850	1,645,853	160,573	1,630,983	(14,870)	884,720	934,674	794,850	
Major Projects	Original Budget 202/23 £	Latest Budget 2022/23 £	P8 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Proposed 2023/24 £	Proposed 2024/25 £	Proposed 2025/26 £	Comments
South Oxhey Initiative	0	351,764	350,848	351,764	0	0	0	0	Statutory Compulsory Purchase Order payment made. Final negotiations with one remaining tenant taking place which will require additional budget when final cost is ascertained
Property Investment Board	0	10,470,989	12,746	10,470,989	0	0	0	0	Completion of purchase of pre-emptions sites awaited
Sub-total Major Projects	0	10,822,753	363,594	10,822,753	0	0	0	0	
Total Policy & Resources	1,686,850	12,468,606	524,167	12,453,736	(14,870)	884,720	934,674	794,850	
Total Capital Programme	7,038,260	18,422,765	2,475,095	18,983,663	560,898	3,096,420	3,579,174	3,439,350	

CAPITAL INVESTMENT PROGRAMME 2022/23 to 2025/26 VARIANCES

Description	Details of Outturn Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Infrastructure, Housing & Economic Development					
Cycle Schemes	Budget removed due to use of CIL for new Towpath Project	(78,383)	0	0	0
Grand Union Canal Towpath Upgrade	CIL Budget approved at 12 September P&R Committee for Grand Union Canal Towpath Upgrade	172,282	0	0	0
Retail Parades	Budget removed due to use of CIL for EV Charging Points	(155,000)	0	0	0
EV Charging Points	CIL Budget approved at 12 September P&R Committee for EV Charging Points	460,000	0	0	0
Total		398,899	0	0	0
Leisure, Environment & Community					
Capital Grants & Loans	Budget not required this financial year	(3,631)	0	0	0
Denham Way MUGA	25% Increase in CIL allocation agreed at Full Council 13 December 2022 for supply chain cost increases	86,750	0	0	0
South Oxhey Playing Fields	25% Increase in CIL allocation agreed at Full Council 13 December 2022 for supply chain cost increases	93,750	0	0	0
Watersmeet Projector	Growth Bid for 2023/24	0	80,000	0	0
Total Leisure, Environment & Community		176,869	80,000	0	0
Policy & Resources					
ICT Website Development	To be rephased to 2023/24 for development and integration of third party platforms	(14,870)	14,870	0	0
Total Policy & Resources		(14,870)	14,870	0	0
Total Variances for Period 8 (November) 2022		560,898	94,870	0	0

APPENDIX 3

CAPITAL INVESTMENT PROGRAMME 2022/23 to 2025/26 FUNDING

Capital Programme	2022/23 Original Budget £	2022/23 Latest Budget £	2022/23 Forecast £	2023/24 Forecast £	2024/25 Forecast £	2025/26 Forecast £
Balance Brought Forward						
Govt Grants: Disabled Facility Grants	(1,063,531)	(1,063,531)	(1,063,531)	(1,063,531)	(1,063,531)	(1,063,531)
Section 106 Contributions	(1,134,479)	(1,134,479)	(1,134,479)	(1,695,516)	(1,695,516)	(1,695,516)
Capital Receipts Reserve	0	0	0	0	0	0
New Homes Bonus Reserve	(2,395,311)	(2,395,311)	(2,395,311)	0	0	0
Total Funding Brought Forward	(4,593,321)	(4,593,321)	(4,593,321)	(2,759,047)	(2,759,047)	(2,759,047)
Generated in the Year						
Govt Grants: Disabled Facility Grants	(586,000)	(665,264)	(665,264)	(586,000)	(586,000)	(586,000)
Section 106 Contributions	0	(561,037)	(561,037)	0	0	0
Capital Receipts Reserve	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,000,000)	(1,000,000)
Future Capital Expenditure Reserve		0	0	0		0
New Homes Bonus Reserve	(110,247)	(110,247)	(110,247)	(110,247)	(95,000)	(95,000)
Total Generated	(1,796,247)	(2,436,548)	(2,436,548)	(1,796,247)	(1,681,000)	(1,681,000)
Use of Funding						
Govt Grants: Disabled Facility Grants	586,000	665,264	665,264	586,000	586,000	586,000
Section 106 Contributions	0	0	0	0	0	0
CIL Contributions	722,000	791,979	1,604,761	0	0	0
Capital Receipts Reserve	1,100,000	1,100,000	1,100,000	1,100,000	1,000,000	1,000,000
Future Capital Expenditure Reserve	0	0	0	0		0
New Homes Bonus Reserve	2,505,558	2,505,558	2,505,558	110,247	95,000	95,000
Borrowing	2,124,702	13,359,964	13,108,080	1,300,173	1,898,174	1,758,350
Total Use of Funding	7,038,260	18,422,765	18,983,663	3,096,420	3,579,174	3,439,350
Balance Carried Forward						
Govt Grants: Disabled Facility Grants	(1,063,531)	(1,063,531)	(1,063,531)	(1,063,531)	(1,063,531)	(1,063,531)
Section 106 Contributions	(1,134,479)	(1,695,516)	(1,695,516)	(1,695,516)	(1,695,516)	(1,695,516)
Capital Receipts Reserve	0	0	0	0	0	0
Future Capital Expenditure Reserve	0	0	0	0	0	0
New Homes Bonus Reserve	0	0	0	0	0	0
Total Funding Carried Forward	(2,198,010)	(2,759,047)	(2,759,047)	(2,759,047)	(2,759,047)	(2,759,047)
South Oxhey Initiative						
Balance Brought Forward	0	0	0	0	0	0
Generated in the Year (Land Receipts)	(6,354,279)	(6,354,279)	(6,354,279)	0	0	0
Repayment of Borrowing	6,354,279	6,354,279	6,354,279	0	0	0
Total	0	0	0	0	0	0
Total Expenditure Capital Investment Programme	7,038,260	18,422,765	18,983,663	3,096,420	3,579,174	3,439,350

SECTION 106 BALANCES 2022/23

TA4950 - Reserves	Balance at 1 April 2022	Movement In year		Balance at 31 March 2023
		Contribution FROM	Contribution TO	
0155 - Resv-S106-Ecology-Abbotswd Pk	(22,761.54)	0.00	0.00	(22,761.54)
0159 - Resv-S106-Maint-Crox Common Mr	(12,435.24)	0.00	0.00	(12,435.24)
0166 - Resv-Env Maint Commuted Sums	(31,965.42)	0.00	0.00	(31,965.42)
0171 - Resv-S106 Huntonbury Village	(68,448.43)	0.00	0.00	(68,448.43)
0173 - Resv-S106 Green Lane	(19,832.04)	0.00	0.00	(19,832.04)
0177 - Resv-S106 Tanners Hill Amenity	(59,890.25)	0.00	0.00	(59,890.25)
0187 - Resv- S106 Redwing Gve (Trees)	(7,564.58)	0.00	0.00	(7,564.58)
0190 - Resv-S106 Oxhey Nu Oaklands Av	(43,632.41)	0.00	0.00	(43,632.41)
0191 - Resv-S106 49 Bucknalls Lane	(2,121.22)	0.00	0.00	(2,121.22)
0193 - Resv-S106 Horsefield - Abbots Langley (Op SP)	(1,050,333.10)	0.00	0.00	(1,050,333.10)
0196 - Resv-S106-Traffic Reg Orders	(20,549.85)	0.00	0.00	(20,549.85)
0197 - Resv-S106-Happy Man Berry Lane	(6,151.61)	0.00	0.00	(6,151.61)
0198 - Resv-S106-Gade View	(28,444.60)	0.00	0.00	(28,444.60)
0202 - S106-Chorleywd Working Mans Cl	(13,818.69)	0.00	0.00	(13,818.69)
0203 - S106-Open Space-8 Chiltern Dr	(1,437.54)	0.00	0.00	(1,437.54)
0210 - S106 1 Oakfield,MIEnd (Op Sp)	(1,419.22)	0.00	0.00	(1,419.22)
0227 - S106 Long Island Ex'ge (TRO)	(2,042.89)	0.00	0.00	(2,042.89)
0230 - S106 Leav'den Stud,Warner Dr	(27,476.29)	0.00	0.00	(27,476.29)
0238 - S106 Leavesden Country Park	(0.65)	0.00	0.00	(0.65)
0246 - S106 Hayling & Holmside Rise (Op Sp)	(14,105.09)	0.00	0.00	(14,105.09)
0252 - S106 2 Hornhill Road (AH)	(4,031.07)	0.00	0.00	(4,031.07)
0253 - S106 - 89 Northwick Road (AH)	(21,261.64)	0.00	0.00	(21,261.64)
0254 - S106 - Oxhey Hall Barnes (AH)	(22,752.15)	0.00	0.00	(22,752.15)
0255 - S106 - High View Caravan Park, Toms Lane, KL (AH)	(14,250.38)	0.00	0.00	(14,250.38)
0257 - S106 - 55 Penrose Road (AH)	(21,481.25)	0.00	0.00	(21,481.25)
0258 - S106 - 373 Prestwick Road (AH)	(22,586.88)	0.00	0.00	(22,586.88)
0259 - S106 - Swan House, Homestead Road (AH)	(100,338.88)	0.00	0.00	(100,338.88)
0260- S106 - Former Pocklington House site, Eastbury Avenue (AH)	(446,030.20)	0.00	0.00	(446,030.20)
0261 - S106 - 10 Harrogate Road (AH)	(29,980.10)	0.00	0.00	(29,980.10)
0262 - S106 - 6 Berkeley Close, Abbots Langley (AH)	(67,669.00)	0.00	0.00	(67,669.00)
0263 - S106 - 28 Chapel Close (AH)	0.00	(41,948.33)	0.00	(41,948.33)
0264 - S106 - Threshing Barn, Bullisland Farm, Bullisland Lane (AH)	0.00	(282,898.60)	0.00	(282,898.60)
0265 - S106 - 165-167 Hampermill Lane (AH)	0.00	(122,512.50)	0.00	(122,512.50)
0267 - S106- Petherick Pastures, Bucks Hill (AH)	0.00	(91,970.66)	0.00	(91,970.66)
0268 - S106 - Bell PH, 117 Primrose Hill, Kings Langley (AH)	0.00	(35,000.00)	0.00	(35,000.00)
0269 - S106 - 228 Gosforth Lane (AH)	0.00	(24,207.21)	0.00	(24,207.21)
Total	(2,184,812.21)	(598,537.30)	0.00	(2,783,349.51)

Three Rivers District Council

APPENDIX 5

Treasury Management Strategy Statement 2022/23

1. Summary

- 1.1. This document sets out the Council's Treasury Management Strategy Statement (TMSS).
- 1.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: "the management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
- 1.3. The TMSS supports the delivery of the Council's Capital Strategy and provides additional detail on how the Council manages its Treasury Management Activity.
- 1.4. The TMSS details the policies, practices, objectives and approaches to risk management of its treasury management activities, which is to be monitored by the Audit Committee. The primary objectives of the Treasury Management Strategy Statement are:
 - Security - Safeguard the repayment of the principal and interest of its investments on time
 - Liquidity - Ensure adequate liquidity to meet obligations as they fall due
 - Yield - Investment return is the final objective and is considered after security and liquidity requirement have been satisfied.
- 1.5. This statement is reviewed and approved annually by Council alongside the Council's budget, Medium Term Financial Plan (MTFP) and Capital Strategy.
- 1.6. The Director of Finance in consultation with the Lead Member for Resources and Shared Services has delegated authority to approve any variation to the Strategy Statement during

the year with the objective of maximising the Council's returns without significantly increasing risk.

2. Risks

- 2.1. The key Treasury Management risks are set out in the CIPFA Treasury Management Code of Practice ("the TM Code"). The following paragraphs set out these risks and how they are managed:

Liquidity Risk

That the Council may not have the cash it needs on a day to day basis to pay its bills.

This risk is managed through forecasting and the retention by the Council of an adequate working capital balance. In addition, through the Public Works Loan Board and other organisations, the Council is able to access short term borrowing, usually within 24 hours.

Interest Rate Risk

That the costs and benefits expected do not materialise due to changes in interest rates.

This risk is managed through the placing of different types and maturities of investments, the forecasting and monitoring of the interest budget (with assistance from the Council's retained advisors).

Exchange Rate Risk

That losses or gains are made due to fluctuations in the prices of currency.

The Council does not engage in any significant non-sterling transactions.

Credit and Counterparty Risk

That the entity holding Council funds is unable to repay them when due. This risk is managed through the maintenance of a list of authorised counterparties, with separate limits to ensure that the exposure to this risk is limited.

Refinancing Risk

That the loans taken by the Council will become due for repayment and need replacing at a time when there is limited finance available or interest rates are significantly higher.

The timing of loan maturities is monitored along with interest rate forecasts. Officers ensure that due dates are monitored and seek advice from the Council's advisors about when to raise any finance needed.

Legal and Regulatory Risk

That the Council operates outside its legal powers.

This risk is managed through the Council's training and development of Officers involved in Treasury Management, the independent oversight of Internal and External Audit, and the advice (for example on the contents of this strategy) taken from the Council's Treasury advisors.

Fraud, Error and Corruption

The risk that losses will be caused by impropriety or incompetence.

This risk is managed through the controls in the Council's financial procedures. For example, the segregation of duties between those making investment decisions and those transferring funds.

Market Risk

That the price of investments held fluctuates, principally in secondary markets.

The majority of the Council's investments are not traded, but where they are (e.g. Property investment portfolio) the main investments' value comes from the income they generate which is generally long term and secure.

3. Treasury Indicators: Limits to Borrowing Activity

- 3.1. There are two limits on external debt: the 'Operational Boundary' and the 'Authorised Limit'. Both are consistent with existing plans and the proposals in the budget report for capital expenditure and financing, and with approved treasury management policy statement and practices. These indicators are set out in the Capital Strategy.
- 3.2. The key difference is that the Authorised Limit cannot be breached without prior approval of the Council. The Operational Boundary is a more realistic indicator of the likely position. The difference between the authorised limit and operational boundary for borrowing is that the authorised limit includes a head room for borrowing for future known capital needs now. The Authorised Limit represents the limit beyond which borrowing is prohibited, and needs to be revised if necessary by members.

4. Borrowing Strategy

- 4.1. The Council's treasury team maintains a cashflow forecast and works its liquidity requirements within this forecast; it may, on rare occasions, be necessary to borrow short-term for cashflow purposes. This will be in the form of short term debt or overdraft facilities and is normally for small amounts for minimum durations. As this is based on need and has a defined repayment period it is not normally included within the limits set above.
- 4.2. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will

be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated (ie: the cost of holding does not outweigh the benefits of early borrowing) and that the Council can ensure the security of such funds. Any associated risks will be approved and reported through the standard reporting method.

5. Investment Policy

- 5.1. The Council's investment policy has regard to the statutory Guidance on Local Government Investments and TM Code. The Council's investment priorities are security first, liquidity second, then yield.
- 5.2. Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices Schedules and are detailed at Annex A.
- 5.3. As part of its diversification of investments, the Council has invested some of its core funds (ie: funds not immediately required for cashflow reasons) in longer-term investment property instruments. These are in the form of individual assets directly owned by the council. Although the Council has no current investments or plans to invest in pooled property funds, these are an option that could be considered in the future. All property investments are controlled through the Property Investment Board (PIB) and each investment is subject to its own business case and appraisal before a decision to invest is taken and before any Council funds are committed.
- 5.4. During 2020/21 the Council made a small Money Market Fund investment with Royal London Asset Management to diversify placement of some longer term cash. It is intended to continue to make use of this fund during 2023/24 while cash balances permit.

6. Creditworthiness policy

- 6.1. The Council will ensure:
 - It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
 - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 6.2. The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary and will provide an overall pool of counterparties considered high quality.
- 6.3. Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the Council's criteria. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term

change) are provided to officers almost immediately after they occur and this information is considered before dealing.

7. Counterparty Categories

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

- **Banks 1 - Good Credit Quality**

The Council will only use UK banks or foreign banks trading in the UK in sterling denomination and which meet the Rating criteria.

- **Banks 2 – The Council's Own Banker**

For transactional purposes, if the bank falls below the above criteria, it will be included, although in this case balances will be minimised as far as possible in both monetary size and time within operational constraints.

- **Bank Subsidiary and Treasury Operations**

The Council will use these where the parent bank has the necessary ratings outlined above and the parent has provided an indemnity guarantee.

- **Building Societies**

The Council will use all Societies which meet the ratings for banks outlined above.

- **Specific Public Bodies**

The Council may lend to Public Bodies other than Local Authorities. The criterion for lending to these bodies is that the loan has been approved by Council.

- **Money Market Funds AAA Rated**

The Council may lend to Money Market Funds in order to spread its investment risk.

- **Local Authorities**

A limit of £5m per authority will be applied.

- **Debt Management Deposit Account Facility**

A Government body which accepts local authority deposits.

- **Council Subsidiaries (non-specified)**

The Council will lend to its subsidiaries subject to approval of a business case by the Portfolio Holder, in consultation with the Director of Finance. Business cases must be accompanied by an independent assessment of viability, and be subjected to regular monitoring by the Director of Finance.

7.2. Further details of counterparty categories and limits are set out Annex A Schedule of Specified and Non-Specified Investments.

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

8. The Monitoring of Investment Counterparties

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

9. Use of Additional Information Other Than Credit Ratings

- 9.1 Additional requirements under the Code of Practice require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

10. Time and Monetary Limits Applying to Investments

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

11. Exceptional Circumstances

- 11.1 The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions Director of Finance may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly, the time periods for investments will be restricted.
- 11.2 Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMO) – a Government body which accepts local authority deposits,

money Market Funds, and strongly rated institutions. The credit criteria have been amended to reflect these facilities.

12. Investment Strategy

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

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

Treasury Indicator & Limit	2022/23	2023/24	2024/25	2025/26
Maximum Principal Sums invested for greater than one year (excluding property investment and loans to Council subsidiaries).	£10m	£10m	£10m	£10m

13. Investment Risk & Security Benchmarking

13.1 These benchmarks are simple guides to maximum risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmarks is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report. The benchmarks are as follows:

Security:

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

Liquidity:

The Council set liquidity facilities/benchmarks to maintain:

- Authorised bank overdraft - nil.
- Liquid short term deposits of at least £0.5m available with a week's notice.

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

Yield:

The Council benchmarks the yield on its operational cash against SONIA (the Sterling Overnight Index Average). This is a measure of market rates for actual returns on

overnight cash deposits. Performance against this indicator will be reported in the reports produced at mid-year and year-end.

14. Reporting Requirements

- 14.1 The Audit Committee has the responsibility for the scrutiny of Treasury Management policies and practices and receives the Treasury Management Policy for review prior to approval by Council.
- 14.2 An annual report on the performance of the Treasury Management function, including the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy is considered by Council following the end of the financial year
- 14.3 Council also receives a Mid-Year Treasury Management Report setting out activity to 30 September.

15. Policy on the Use of External Service Providers

- 15.1 Link Asset Services are the appointed external advisors. The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 15.2 The Council will also, from time to time, procure specialist advice for ad-hoc pieces of work; this will be procured in accordance with the Council's normal procedure rules.

16. Member and Officer Training

- 16.1 In order to ensure that Members and Officers are sufficiently trained and qualified to monitor and manage the Council's Treasury Management activity, the following measures are in place:
 - Ensuring that officers attend suitable courses and seminars to keep their technical knowledge up to date;
 - Keeping up to date with CIPFA publications on Treasury Management;
 - Regular briefings both by email and face to face with the Council's Treasury advisors;
 - Reports and briefing sessions to Members on major changes to Treasury policies and strategies.

Non Specified Investment Category	Limit (£ or %)
Any bank or building society that has a minimum long term credit rating of A (or equivalent), for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£5m
The Council's own banker if it fails to meet the basic credit criteria.	In this instance balances will be minimised as much as possible
Building Societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which were originally considered Eligible Institutions and have a minimum asset size of £5,000m, but will restrict these types of investments to £2m for up to six months.	£2m
Specific Public Bodies The Council can seek Member approval to make loans to other public bodies for periods of more than one year.	£10m
Loans to Council Subsidiaries The Council will lend to its subsidiaries subject to approval of a business case by the Portfolio Holder, in consultation with the Director of Finance. Business cases must be accompanied by an independent assessment of viability, and be subjected to regular monitoring by the Director of Finance.	£10m limit for any single loan
Other unspecified investments The strategy allows the Portfolio Holder, in consultation with the Director of Finance, in consultation with the Lead Member, the delegated authority to approve any variation to the Treasury Management Strategy during the year which may be brought about by investigating the opportunity to invest for greater than one year and also to invest in other investment instruments i.e Government bonds, Gilts and investment property with a view of to maximising the Council's returns without significantly increasing risk. This allows the addition of further unspecified investments, subject to conditions which will be generally similar to (e).	£10m

Institution Type	Minimum Short Term Ratings			Schedule 1 (A) – UK Banks & Building Societies			
	Fitch	Moody's	S&P				
The Council's own Bankers	F1m	P-1	A-1	If Council's own bankers fall below the minimum long term criteria for UK banks, cash balances will be managed within operational liquidity constraints and balances will be minimised as much as possible.			
Wholly Owned Subsidiaries of UK Clearing Banks - Parent Ratings	F1	P-1	A-1	Long Term Credit Rating: AA(F), Aa2(M), AA(S&P)	Long Term Credit Rating: Single A (All agencies)	Long Term Credit Rating: Lower than A (All agencies)	Long Term Credit Rating: Lower than A
Partially Owned Subsidiaries of UK Clearing Banks - Parent Ratings	F1	P-1	A-1				
UK Building Societies (Credit Rated)	F1	P-1	A-1				
UK Building Societies (Unrated)				Assets over £15bn	Assets over £5bn	Assets of £2.5bn	Assets of £1bn
	Maximum Amount / Duration:			£10m 364 Days	£10m 6 Months	£10m 3 Months	£10m 1 Month

Schedule 1 (B) – Other Entities	
Specific Public Bodies	As approved by Members – up to £10m for up to 10 years
Debt Management Deposit Facility (UK Government)	Unlimited – this is the Council's Safe-Haven Deposit facility with the UK Government
Money Market Funds (AAA Rated)	£10m per fund
Municipal Bond Agency	As approved by Members
UK Local Authorities	<p>A Maximum of £5m applies per Authority.</p> <p>The Council can invest in all UK Local Authorities whether rated or not.</p> <p>The Council will not lend to an authority which is subject to a s.114 notice without member approval.</p>

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Notes:

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

Minimum Revenue Provision (MRP) Strategy and Policy Statement

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

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

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

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

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

This option provides for a reduction in the borrowing need over the asset's estimated life.

No MRP provision is made in respect of investments or payments to the joint ventures as such investments are intended to be time-limited and allow for the repayment of debt. For finance leases the council will charge MRP to its General Fund each year dependant on the life of the underlying asset.

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POLICY AND RESOURCES COMMITTEE – 23 JANUARY 2023

PART I - NOT DELEGATED

10. FINANCIAL PLANNING - RECOMMENDATIONS (DoF)

1. Summary

- 1.1 This report enables the Committee to make its recommendations on the Council's Revenue and Capital budgets and Treasury Management Policy for the period 2023/24 to 2025/26 (medium term) to Council on 21 February 2023.

2. Details

Context

- 2.1 The Committee is reminded that each Financial Planning report on this agenda needs to be considered before the recommendations on this report are agreed.

Revenue Budget

- 2.2 The Committee should agree the revenue budget as amended for any growth or additional savings it proposes to add.

Capital Strategy and Investment Programme

- 2.3 The Committee should agree the level of capital investment for 2023/24 to 2025/26 having regard to any balances it wishes to see carried forward.

3. Options/Reasons for Recommendation

- 3.1 The recommendation below enables the Committee to make recommendations to the Council on 21 February 2023 concerning the Council's corporate framework, service and financial plans.

4. Policy/Budget Reference and Implications

- 4.1 The recommendations in this report contribute to the process whereby the Council will approve and adopt its strategic, service and financial plans under Article 4 of the Council's Constitution.

5. Equal Opportunities Implications

- 5.1 The Equality Impact Assessment Relevance Test is attached at Appendix 1.

Has a relevance test been completed for Equality Impact?	Yes
Did the relevance test conclude a full impact assessment was required?	No

- 5.2 Services changes arising from the budget will be subject to individual Equality Impact Assessments.

6. Financial Implications

- 6.1 The key financial implications for the Council are:-

- Officers recommend a minimum prudent revenue balance of **£2,000,000** in the light of the financial and budgetary risks.
- The general fund balance at 31 March 2026 is forecast to be **£3,461,732**.
- A 2.99% **increase** in its Council Tax charge for 2023/24, 2024/25 and £5.00 for 2025/26.
- Capital balance is estimated to be **£2,759,047** at 31 March 2026.

7. Legal Implications

- 7.1 The provisions of the Local Government Finance Act 1992 (LGFA 1992) set out what the Council has to base its budget calculations upon regarding council tax and requires the Council to set a balanced budget having regard to the advice of its Chief Finance Officer (section 151 Officer). The setting of the budget is a function reserved to Full Council in accordance with Part 2, Article 4.02 of the Council's Constitution and the Policy and Resources Committee must therefore forward its recommendations on the budget to Full Council.
- 7.2 Section 30(6) LGFA 1992 provides that the Council has got to set its budget calculations before 11 March in the financial year preceding the one in respect of which the budget is set although, it is not invalid merely because it is not set on or after 11 March. However, it is important that the Council sets its 2023/24 budget by 11 March 2023 as any delay in setting council tax may leave the Council vulnerable to legal proceedings requiring it to set the tax.

8. Risk Management Implications

- 8.1 The Committee should recommend that the financial and budgetary risks identified be incorporated into service plans as appropriate.

9. Recommendations

Either

- 9.1 To Council:-

- (a) That the 2022/23 revised estimates for the revenue account be agreed giving a balance on the general fund at 31 March 2023 of **£3,986,864**. *(Agenda Item 8 Appendix 1 refers)*
- (b) That the draft revenue estimates in respect of the revenue account for the period 1 April 2023 to 31 March 2026, subject to the changes agreed, be approved *(Agenda Item 8 refers)*
- (c) That it be noted that **£2,000,000** be considered as a prudent minimum balance for the general fund.
- (d) That the financial and budgetary risks be agreed and their management monitored by the Audit Committee. *(Agenda Item 8 refers)*
- (e) That the existing Council Tax Reduction Scheme is continued for 2023/24. *(Agenda Item 8 refers)*
- (f) That the total capital strategy and investment programme for 2023/24 be agreed at **£3,096,420**. *(Agenda Item 9 Appendix 1 refers)*

- (g) That the arrangements for funding the 2023/26 capital strategy and investment programme resulting in an estimated balance of capital resources at 31 March 2026 of **£2,759,047** be agreed. (*Agenda Item 9 Appendix 4 refers*)
- (h) That the Council notes the capital funding available and approves the Policy and Resources Committee's allocation of funds for the period from 1 April 2023 to 31 March 2026 (*Agenda Item 9 refers*)
- (i) That the Treasury Management Strategy Statement 2023/24 be approved. (*Agenda Item 9 Appendix 5 refers*)
- (j) That the Minimum Revenue Provision Policy Statement 2023/24 be approved. (*Agenda Item 9 Appendix 6 refers*) and
- (k) That the Council notes the Director of Finance's advice on the robustness of the estimates and the adequacy of the financial reserves.

Or

- 9.2 That the Policy and Resources Committee notes that the Administration will publish its final recommendations on Financial Planning 2023/24 to 2025/2026 five working days prior to the Council meeting on 21 February 2023 and present them at this meeting.

Appendices

Appendix 1 Equality Impact Assessment Relevance Test

Report prepared by:

Sally Riley - Finance Business Partner

Hannah Doney - Head of Finance

Alison Scott – Director of Finance

Background Papers:

2022/23 Budget Monitoring Reports

Fees & Charges Reports to Committees

2022-26 Financial Planning Report

Form A – Relevance Test

Function/Service Being Assessed: Financial Planning 2023/24

Officer completing form: Hannah Doney

Date of completion: 12 January 2023

1. Populations served/affected:

☒ Universal (service covering all residents)?

☐ Targeted (service aimed at a section of the community –please indicate which)?

2. Is it relevant to the general equality duty? (see Q and A for definition of ‘general duty’)

Which of these three aspects does the function relate to (if any)?:

☐ 1 – Eliminating discrimination, harassment and victimisation

☐ 2 – Advancing equality of opportunity

☐ 3 – Fostering good relations

Is there any evidence or reason to believe that some groups could be differently affected?

☐ Yes

☒ No

Which equality categories are affected?

☐ Race

☐ Age

☐ Sexual Orientation

☐ Disability

☐ Sex

☐ Religion

☐ Gender reassignment

☐ Marriage / civil partnership

☐ Maternity / Pregnancy

3. What is the degree of relevance?

In your view, is the information you have on each category adequate to make a decision about relevance?

- ☒ Yes (specify which categories)
☐ No (specify which categories)

Are there any triggers for this review (for example is there any public concern that functions/services are being operated in a discriminatory manner?) If yes please indicate which:

- ☐ Yes
☒ No

4. Conclusion

On the basis of the relevance test would you say that there is evidence that a medium or high detrimental impact is likely? (See below for definition)

- ☐ Yes
☒ No

Note: if a medium or high detrimental impact has been identified then a full impact assessment must be undertaken using Form B.

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POLICY AND RESOURCES COMMITTEE – 23 JANUARY 2023

PART I - DELEGATED

14. **WORK PROGRAMME** (CED)

1. **Summary**

1.1 To agree the Committee's work programme.

2. **Details**

2.1 Attached, as an appendix to this report, is the Committee's work programme.

2.2 The work programme includes information to Members on the purpose of the item being considered, how the work will be completed, the responsible officer and the outcome expected.

2.3 The work programme is presented for consideration to enable the Committee to make any changes it feels necessary, to review whether reports should remain on the work programme and to provide Members with updated information on future meetings.

3. **Policy/Budget Implications**

3.1 The recommendations in this report are within the Council's agreed policy and budgets.

4. **Financial, Legal, Staffing, Environmental, Community Safety, Customer Services Centre, Website and Risk Management Implications**

4.1 None specific to this report.

5. **Recommendation**

5.1 That the Committee agrees the items included in the work programme.

Report prepared by Sarah Haythorpe, Principal Committee Manager

Background Papers

Policy and Resources Committee Minutes

APPENDICES / ATTACHMENTS

Appendix A - Committee Work Programme

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POLICY AND RESOURCES COMMITTEE - WORK PROGRAMME

No.	Item to be considered	Link to Strategic Plan	Date of Next Meeting	Purpose of the Report	How the work will be done	Responsible Officer	Outcome Expected
1.	Performance Report		Reported via MIB	Performance report update	Written Report	Performance and Projects Manager	Report to note, this will be reported via the Members' Information Bulletin
2.	Nature Recovery Strategy		13 March 2023	To receive a report	Written report	Landscapes and Leisure Manager	To consider the recommendations
3.	Tree Strategy		13 March 2023	To receive a report	Written report	Landscapes and Leisure Manager	To consider the recommendations
4.	Biodiversity Opportunities Audit/Alternative Grassland Management		13 March 2023	To receive a report	Written report	Landscape and Leisure Development Manager / Principal Trees and Landscapes Officer / Community Biodiversity Officer	To consider the recommendations in the report.
5.	Parking Management Policies/Parking Infrastructure Plan		13 March 2023	To receive a report	Written report	Head of Regulatory Services/Senior Transport Officer	To consider recommendations

APPENDIX A

No.	Item to be considered	Link to Strategic Plan	Date of Next Meeting	Purpose of the Report	How the work will be done	Responsible Officer	Outcome Expected
6.	Appoint to the Sub-Committees of P&R		12 June 2023	To receive a report	Written Report	Principal Committee Manager	To consider the recommendations
7.	Budget Outturn report 2022/23		12 June 2023	To receive a report	Written Report	Head of Finance	To consider the recommendations
8.	Member Training		17 July 2023	To receive a report	Written report	Principal Committee Manager	To consider any recommendations
9.	Budget Monitoring Report (Period 4)		11 September 2023	To receive a report	Written report	Head of Finance/ Finance Business Partner	To make recommendations to Council
10.	Calendar of meetings 2025/26		11 September 2023	To receive a report	Written report	Principal Committee Manager	To recommend the calendar to Council
11.	Draft Corporate Framework and Financial planning 2024-2027		11 September 2023	To receive a report	Written Report	Director of Finance/Head of Community Partnerships	To consider the recommendations
12.	Budget Management Period 6 including impact of inflation		13 November 2023	Written report		Director of Finance/Head of Finance/	To receive a report

APPENDIX A

No.	Item to be considered	Link to Strategic Plan	Date of Next Meeting	Purpose of the Report	How the work will be done	Responsible Officer	Outcome Expected
13.	Business Rate Pooling 2023/24		4 December 2023	Written Report to seek approval to enter into a business rates pool with Hertfordshire County Council (HCC) and a number of other districts within the County for 2023/24.		DoF	To recommend to Council.
14.	Review of Strategic Risks		4 December 2023	Written Report	Written Report	Emergency Planning and Risks Manager	To consider the recommendations
15.	Financial Planning 2024-2027		January 2024	To receive a report	Written Report	DoF and Service Heads	To recommend the budget to Council
16.	Draft Corporate Framework 2024-27 Draft Service Plans 2024-27		To be confirmed	To receive a report	Written report	Director of Finance/Head of Finance/Head of Community Partnerships	To receive a report
17.	Public space protection order report following public consultation		January 2025	To receive a report following the public consultation	Written Report	Head of Community Services	To make a recommendation to Council

APPENDIX A

No.	Item to be considered	Link to Strategic Plan	Date of Next Meeting	Purpose of the Report	How the work will be done	Responsible Officer	Outcome Expected
18.	Community Infrastructure Levy (CIL) once the Government have reviewed CIL		<i>CIL will still be reviewed alongside the Local Plan but only at the point where policies and sites have been formally agreed as CIL has to be based on the effects of the policies and relate to the allocated sites.</i> <i>It is currently anticipated that a report will be due in 2025. This of course depends on the progress on the Local Plan.</i>	To receive a report	Written report	DCES/Head of Planning Policy and Projects	To consider any recommendations
19.	Housing Delivery Test Action plan		September 2023	To receive a report	Written report	Head of Planning Policy and Conservation	To consider any recommendations
20.	Article 4 Direction		Tbc – date in 2023	To receive a report	Written report	Head of Planning Policy and Conservation	To consider any recommendations