GUIDE TO THE FINANCES OF

THREE RIVERS DISTRICT COUNCIL

and the

MEDIUM TERM FINANCIAL PLAN

2004/2007

THREE RIVERS
DISTRICT COUNCIL

CONTENTS

Chapter 1 – Introduction
The Financial Plan 1
Improving Efficiency 2
The Financial Year 3

Chapter 2 – The Revenue Account
Regulatory Framework 4
Medium Term Financial Plan 2003 – 2006 : Revenue 8
Setting the Council Tax 10
Revenue Budget 2003 – 2004 20

Chapter 3 – Capital Investment Programme & Capital Funding
Regulatory Framework 25
The Council's Capital Investment Programme 27

Chapter 4 – The Balance Sheet
Background 33
Revenue Balances and Earmarked Reserves 34

Chapter 5 – Cash Flow & Treasury Management
Background 37
Treasury Strategy Statement 2004/2005 39
Cash Flow Forecasts 46

Chapter 6 – The Accounting Framework
Background 49
Revenue Accounts 49
Capital Accounts 52

Annex
A The Council's Vision, Aims and Priorities 53
B Legislative Background 56
C Glossary 57

We hope you find this document clear and informative. Ideas for improving it are most welcome. Further information can be obtained from the Council at the address below.

Three Rivers House
Northway
Rickmansworth
Hertfordshire WD3 1RL

Telephone: 01923 776611

E-mail: Enquiries@threerivers.gov.uk

David Gardner
Director of Corporate Resources

June 2004

CHAPTER 1

INTRODUCTION

The Financial Plan

This document provides a brief guide to the Council's finances and gives information for the period commencing with the financial year 2004/2005 and ending in 2006/2007. It is also an attempt to put into plain English how the local government finance system effects the Council.

We have tried to keep the use of jargon to a minimum and a glossary is included at the back to define some terms in more detail.

The purpose of the plan is:-

1. To maintain clear and accurate information accessible to staff and members for effective financial planning, monitoring and reporting in both the short and long term.

2. To comply with Government guidelines and accounting standards and practices.

3. To provide finance for defined service levels.

4. To devolve accountability for budgets to specified cost centre managers.

5. To optimise the use of Council assets in land, property and money.

The Plan has been drawn up in support of the Council's Strategic Plan (see Annex A).

Suggestions as to how this document can be improved would be most welcome.

Improving Efficiency

The Audit Commission completed a 'Comprehensive Performance Assessment' of the Council in January 2004 and concluded that the Council is 'Good'. Its report published in May 2004 says that the Council is "underpinned by sound finances".

As a small local authority the Council's resources are limited. For much of the 1990s its budget was capped by government to small, or even zero increases year on year. In recent years, council tax increases have been greater than inflation, but this has not reduced the need for the Council to "get more from less".

To achieve efficient, effective and economic services the Council has:

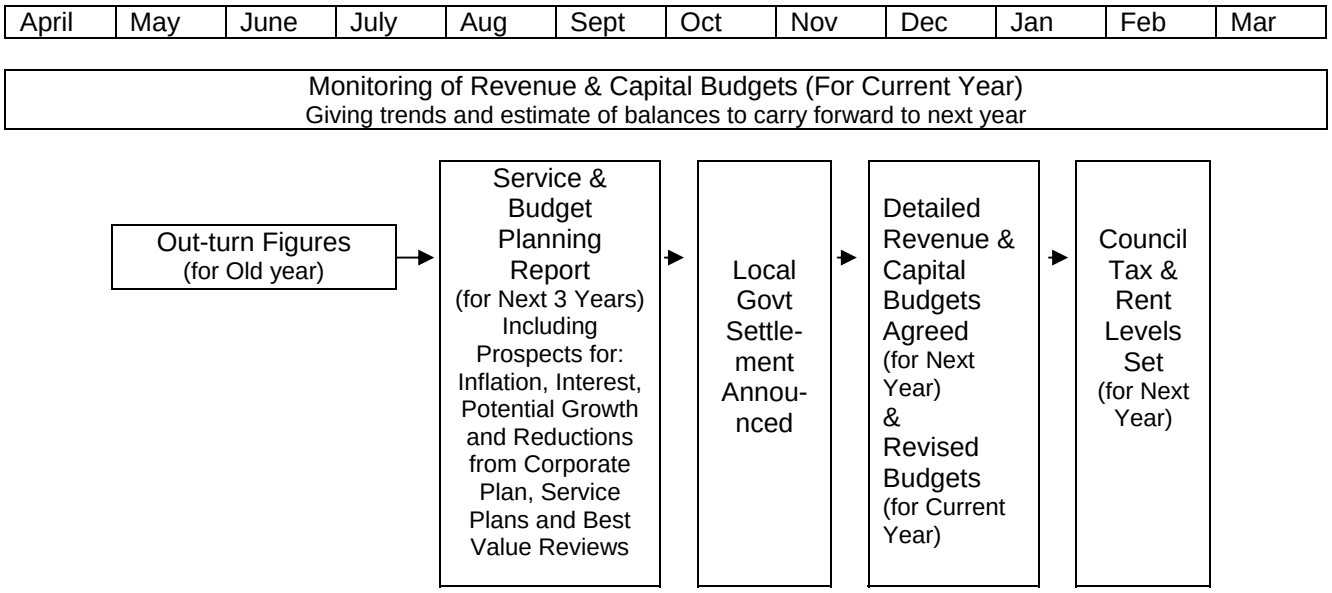
- Actively pursued proactive debt management,
- Secured reductions in NNDR on Council properties,
- Achieved savings through competitive tendering,
- Reviewed its staffing requirements and 'flattened' management structures,
- Introduced new working practices and organisational arrangements using new ICT systems and its innovative Customer Services Centre,
- Made a one-off additional contribution to the Hertfordshire Pension Fund of £4.98m to reduce revenue costs by £0.407m in 2002/2003 rising to £0.704 per annum by 2005/2006

This would suggest that the Council has the capacity to continually identify opportunities for improvement. However, many of the more simple efficiency gains have already been identified. Therefore, the Council will continue:-

- To maximise investment income (whilst safeguarding capital) or use surplus funds to generate on-going savings.
- To procure services in the most effective and efficient way. The outcome of the Council's best value review into procurement continues to bear fruit. The Council will continue to use competitive tendering whenever appropriate.
- To further develop the asset management plan for the effective use of the Council's land and property portfolio.
- To control energy and other utility costs.
- To retain its basic performance management approach whereby it seeks to ensure that all services perform on par with the best in local government and achieve continuous improvement. Performance indicators and benchmarking will continue to identify under-performing services.
- To complete best value reviews of the Council's services and implement the efficiency improvements identified taking into account comparison with similar services in comparable authorities.
- To improve the use of IT and enhance services to the public through the customer services centre and the Council's interactive web-site.
- To monitor progress to ensure that targets are achieved, and to report on progress in the Best Value Performance Plan.
- To have a strategic approach to how the Council's services are prioritised, managed and delivered through the Community Strategy and the Council's corporate and service plans.
- To try to attract, through recognised performance, more freedoms, flexibilities and funding.

The Financial Year

The financial year runs from 1 April to 31 March. The figures in this book provide only a snapshot of the position when the Council determined its budgets. The diagram below shows the activities taking place during the annual cycle.



Budget Monitoring

During the financial year the Council receives budget monitoring reports that compare the actual income and expenditure to the financial plan. As a result of the variations identified the Council may modify its plans to take account of the changed circumstances (e.g. an increase in economic activity).

Outturn Figures

Outturn figures are produced as soon as possible after the end of the financial year. Preliminary figures are normally presented for approval in June and the final accounts at the end of September.
The Accounts and Audit Regulations 2003 brings forward the date by which the Council is required to approve its Statement of Accounts. The accounts for the year ending 31 March 2004 must be approved by 31 August 2004. In each subsequent year the date is brought forward by one month until, for years ending 31 March 2006 onwards, approval must be achieved by 30 June in each year.

Service & Budget Planning Report

In September the Council's Chief Financial Officer (Director of Corporate Resources) produces a report which sets the scene for future years' budgets and includes an economic forecast upon which preliminary figures for the following year are based.

Setting The Council's Budget

Detailed budget figures are presented in January culminating in the Council agreeing its budgets in February.

Setting The Council Tax

The Council Tax is set at a separate meeting as soon as the precepts from the County Council and Police Authority are known.

CHAPTER 2

THE REVENUE ACCOUNT

Regulatory Framework

The Council's Consolidated Revenue Account is the equivalent of a private sector company's Profit & Loss Account.

The Consolidated Revenue Account deals with services which are funded by income from council tax, but there is also a 'ring-fenced' housing revenue account within it which meets the costs of providing council housing and is funded by rents.

Revenue Expenditure is incurred on:-

a) the day-to-day services that the Council provides,

b) charges made for the repayment of debt (see Chapter 3), and,

c) contributions towards capital expenditure.

The Council's gross revenue expenditure is estimated to be £48.5m in 2004/2005. Of this amount £37.4 m is raised from council rents, specific government grants, interest earned, fees and charges for services, leaving £11.1 m (termed the Council's budget requirement) to be met by council tax-payers and from the two main Government grants, (Redistributed Non-Domestic Rates Grant and Revenue Support Grant).

The charts overleaf show, in summary form, where the Council gets its money from and the costs of the services it provides on a day-to-day basis (budget figures for 2004/05).

Local Government spending in Government spending plans

The Government announced the results of its latest Spending Review in July 2002. It set the framework for grants to local authorities for the three years commencing 2003/04.

The Government's plans include an assumption about total local government spending called Total Assumed Spending (TAS). (Assumed to be £73b for 2004/05 and less than local governments' estimate of spending) About 75% of TAS nationally is met by government grant (of some sort) and business rates. Together this funding is called Aggregate External Finance (AEF), the largest part of which is Formula Grant which includes Revenue Support Grant, redistributed business rates and police grant. The other 25% of TAS is raised through Council Tax. It is interesting to note that for Three Rivers about 57% of its budget requirement is met through Council Tax. These figures are announced annually, usually at the beginning of December, with a short period of consultation ending in January.

Formula Spending Shares

To work out each council's share of formula grant, the government first calculates a Formula Spending Share (FSS) based on formulae that include information on population, social structure and other characteristics of each authority. FSSs are divided into eight service areas each with different formula, These service 'blocks' are

education,
personal social services,
police,
fire,

highways maintenance,
environmental, protective and cultural services, and,
capital financing.

The last two categories are those relevant to Three Rivers as a non-metropolitan district. Since a greater slice of total assumed spending has been targeted at education and to a lesser extent social services and police in recent years, reflecting the Government's priorities, there is less left for district council services.

The formula for each service is different because different factors influence each. The formula applies to all authorities providing a particular service. There is no scope for varying grant to individual authorities to reflect local circumstances that are not picked up by the system.

The Government claims that FSS is not a measure of how much a council should spend, although it has been keen to ensure that planned increases in education spending, for example, take place. Rather, the Government states that they are a way of slicing up the total cake made available via the Spending Review rather than how big the cake should be. It allocates resources according to councils' *relative* circumstances.

The Government do not expect to make further formula changes for at least 2004/05 or 2005/06 although grant might change if the 'control totals', i.e. the overall amount of money available from the Spending Review, changes, or the basic data, e.g. changing population figures, are fed into the formula.

Each formula comprises a basic amount, a deprivation top-up, an area cost top-up and other top-ups ranging from cost pressures, population sparsity, density and visitors and commuters.

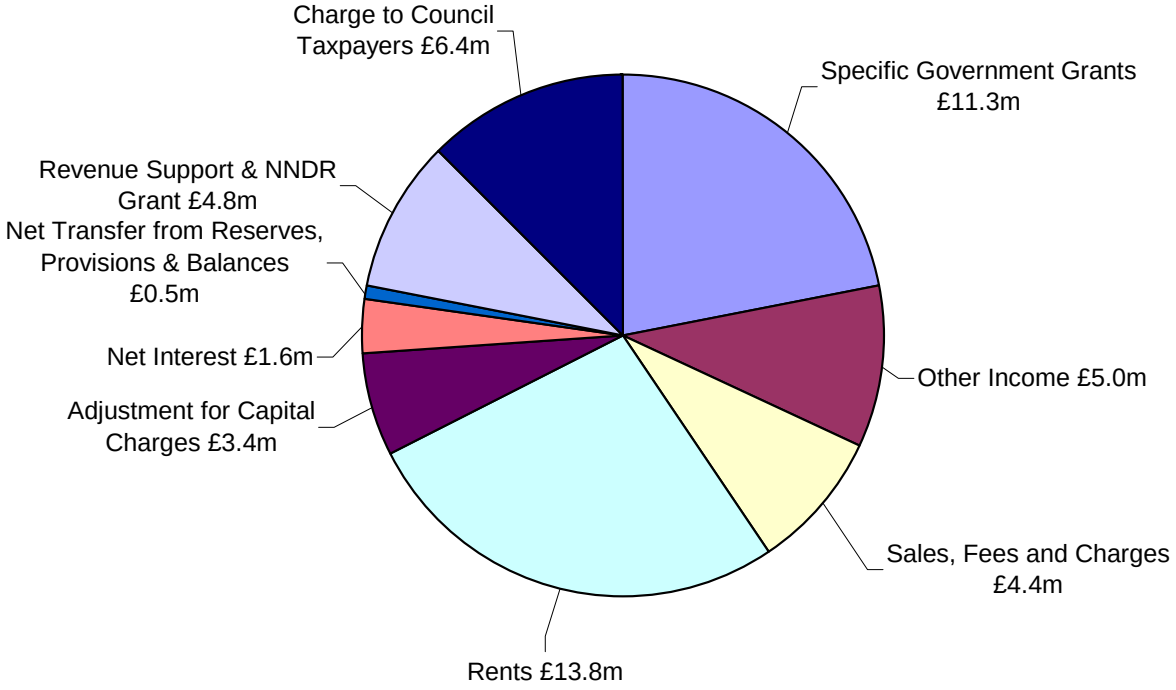
Resource Equalisation – Floors and Ceilings

An authority's basic amount of formula grant is its Formula Spending Share less the amount it would get if it sets its Council Tax at the assumed national level. Thus if every council budgeted at the level of its FSS, the council tax would be the same for every property in the same valuation band throughout England. This is known as resource equalisation.

However the operation of floors and ceilings modifies this relationship.. Each year the Government guarantee a minimum increase in formula grant for all authorities. This is known as the 'floor' grant increase, the cost of which is met by a maximum grant increase called the 'ceiling'. In this way the national amount of grant is unaltered.

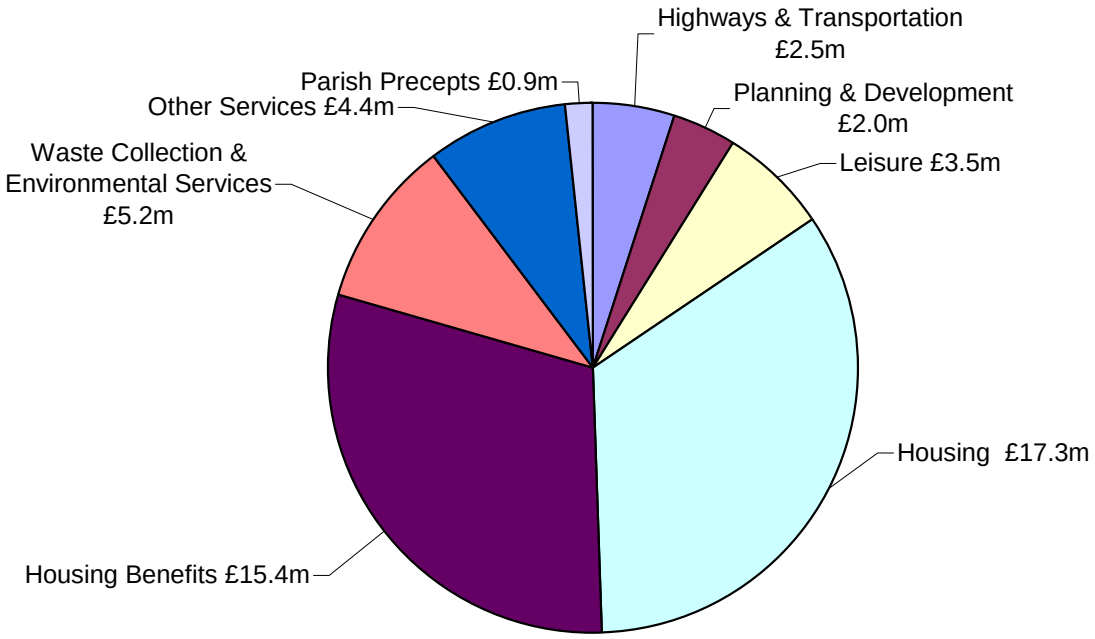
The quoted increase in grant may not be the same as the change in the cash an authority receives because the Government makes adjustments between years. The Government knows that this does not help make the system clearer. For 2004/05 the Government said that district councils like Three Rivers would receive a 'floor' increase in grant of 3%. In the event the cash grant reduced because the Government altered the way in which it funded rent rebates.

Sources of Income



	£m
Total Income	51.2

Gross Expenditure on Services



	£m
District Services	50.3
Parish Services	0.9
Total	42.5

RSG Settlement – Key Data for Three Rivers

Assumed Notional Council Tax in £	1,061.46
District Share of Assumed Notional Council Tax	0.171540
District Share of Assumed Notional Council Tax £	182.08
Council Tax Base for Grant Purposes	37,008
Assumed Council Tax Income in £m	6.738528
FSS – RSG – NNDR (£m)	5.793230
	£m
Total FSS	10.558700
Redistributed Business rate Income	2.248068
Revenue Support Grant	2.517402

Capping

In the past the Government set a 'cap' or budget requirement limit for each council. This limit was announced before councils set their budgets. The government no longer does this, but has reserve powers to tell councils how to set a lower budget if it considers the budget requirement and council tax have gone up by too much.

Housing Revenue Account

All transactions in the Housing Revenue Account are determined under the Local Government and Housing Act 1989. This legislation also introduced the subsidy system. In 2001, a new financial framework was introduced to put housing accounts on a more businesslike basis with the aim of encouraging more efficient use of housing assets.

The Government announces each year details of subsidy to assist with housing costs. Determinations calculate notional expenditure and notional income from rents. Increases in notional rents influences the actual rent charged and accords with the Government's guidance on rent restructuring.

Medium Term Financial Plan 2004 – 2007 : Revenue

The Council's medium term forecast predicts a council tax increase of 4.9% for 2005/06 and 5.9% for 2006/07. This would enable the Council's revenue expenditure (i.e. excluding revenue contributions to capital) to increase by 4.3% in 2005/06 and 4.5% in 2006/07 whilst retaining reserves and balances at £2.8m at 31 March 2006 and £2.7m at 31 March 2007. The Council considers a balance of £1.9m to be the prudent minimum.

Medium Term Financial Plan – Consolidated Revenue Account	2004/2005	2005/2006	2006/2007
Council Tax Increase (%)	2.80	4.90	5.90
	£	£	£
General Fund Balances Brought Forward at 1 April	3,800,145	2,892,250	2,767,844
Income: Council Tax & Government Grants	11,143,737	11,665,714	12,214,208
Less: Budgeted Expenditure	-12,051,632	-11,790,120	-12,325,510
Revenue Budget Surplus/Deficit (-) for Year	-907,895	-124,406	-111,302
General Fund Balance Carried Forward	2,892,250	2,767,844	2,656,542

The medium term financial plan has been derived from the changes anticipated in economic factors (e.g. inflation) and changes to service expenditure required to achieve the Council's corporate plan. In setting its budget for 2004/05, the Council identified efficiency gains of £260,000 to offset inflation on employees pay, goods and services. £300,000 additional interest income will be earned. This enabled more resources to be directed towards the Council's priorities. The Council will tackle anti-social behaviour by supporting community safety projects and improving fencing (£80,000), it will ensure that there are green and clean open spaces by increasing expenditure on recycling and street cleansing (£900,000). The Council will protect the green belt by allocating additional resources to panning (£100,000) and will support the vulnerable by giving more to dial-a-ride, improving gas-servicing works for tenants and reducing some of their repair charges (£110,000).

The Council operates cost centres for each of its activities and fully charges each activity with its full cost (i.e. including internal costs of, for example, central support services such as accountants and lawyers). There is a history of devolution of budgets within the authority. Managers have clear accountability for their services budgets and there is sound budget monitoring with any variances understood, reported and managed.

Previously, the Council's external auditor had identified the need to link more closely the budget planning process with the Council's service plans. This process should also assist in identifying those areas where funding is less of a priority. To this end the Council's three year medium term plan now links its revenue budget to service plans and work has been carried out to analyse the budget between the Community Strategy / Corporate Strategy themes and service priorities.

Accounting standards require the Council to include in its accounts depreciation on buildings. The Council will disclose its full liabilities to the Hertfordshire Pension Fund as required by Financial Reporting Standard 17 (FRS17).

Until 31 March 2000 trading accounts were kept for those activities carried out by the Council that were subject to compulsory competitive tendering (CCT) legislation. Section 21 of the Local Government Act 1999 repealed the CCT requirements relating to accounting, reporting and meeting specified financial objectives.

The Council has operated throughout the district a waste management trading unit providing an integrated waste management service encompassing refuse collection and recycling. This work, that is carried out elsewhere by private sector contractors, was brought back 'in-house' from 1 July 2002 following a tendering exercise.

Within the Council's Consolidated Revenue Account is a 'ringfenced' Housing Revenue Account (HRA) reflecting the activities of the Council as landlord. From the table it can be seen that for the financial year 2004/05 the HRA is budgeted to make a deficit of £90,430.

Medium Term Financial Plan – Housing Revenue Account	2004/2005	2005/2006	2006/2007
Rent Increase (%)	4.56	4.56	4.56
	£	£	£
HRA Balances Brought Forward at 1 April	946,989	856,559	891,739
Income: Rents	13,584,540	13,889,880	14,196,610
Less: Budgeted Expenditure	-13,674,970	-13,854,700	-14,150,980
Revenue Budget Surplus/Deficit (-) for Year	-90,430	35,180	45,630
HRA Balance Carried Forward	856,559	891,739	937,369

The Council is introducing 'formula rents' under the Government's policy of 'restructured rents' over a ten year period commencing in April 2002. This is designed to align all public sector rents based on a formula using property values, county earnings and the number of bedrooms in each property.

In the longer term it is anticipated that under restructured rents, income will not keeping pace with the Council's forecast of expenditure. Since the Council cannot raise further rental income, reductions will be required in expenditure. If the Council is to maintain spending on the repairs and maintenance of its properties, then savings will have to be made in management costs.

Setting the Council Tax

The Council Tax for 2004/2005 was set by the Council Tax Setting Committee on 24 February 2004 taking into account the budgets set by the Hertfordshire County Council and the Hertfordshire Police Authority. The District Council's budget, incorporating those of the parish councils within the District had previously been approved by the Council on 10 February 2004. The calculation of Council Tax is shown below.

1. **Background**

1.1 The recommendations at paragraph 6 below are set out to comply with the requirements of the Local Government Finance Act 1992. References to Section numbers in this report refer to that Act unless otherwise stated.

1.2 The details below show the calculations made in arriving at the recommendations and are cross referenced accordingly.

2. **Details**

2.1 ***The Council's Budget***

This is the figure recommended by the Executive Committee to the Council as its General Fund revenue budget for 2004/2005.
(Cross Reference: Recommendation 6.1 below).

2.2 ***The Council Tax Base***

This recommendation reminds the Committee of the decisions the Council took on 16 December 2003 concerning the Council Tax Base for 2004/2005.

(Cross Reference: Recommendation 6.2 below).

2.3 ***Calculation of Budget Requirement***

This calculation is required under Section 32 of the Act. The Council must calculate:-

(a) its aggregate expenditure (including the amounts of Parish Precepts to be met from the General Fund);

(b) its aggregate income (excluding redistributed National Non-Domestic Rate and Revenue Support Grant); and,

(c) the difference between the two, being termed the Budget Requirement for the purposes of Council Tax setting.

(Cross Reference: Recommendations 6.3 (a), (b) and (c) below).

The calculations shown below are made not only to comply with the Act but are also presented in accordance with the Code of Practice on Local Authority Accounting in Great Britain:-

	Expenditure Under Section 32(2) £	Income Under Section 32(3) £	Net Expenditure Budget Requirement Under Section 32(4) £
General Fund			
Highways & Transportation	2,496,700	(364,220)	2,132,480
Planning & Economic Development	2,032,610	(672,110)	1,360,500
Leisure	3,493,980	(1,426,300)	2,067,680
Waste Collection	3,809,300	(580,600)	3,228,700
Environmental Health	1,252,050	(292,400)	959,650
Other Environmental Services	117,160	(44,780)	72,380
Housing Revenue Account	16,089,740	(15,999,450)	90,290
Other Housing Services	1,247,750	(426,630)	821,120
Corporate & Democratic Core	1,797,700	(6,000)	1,791,700
Local Taxation Collection	879,980	(212,010)	667,970
Housing Benefits	15,396,170	(14,990,490)	405,680
Central Support Services	84,540	(80,630)	3,910
Other Services	1,595,930	(430,570)	1,165,360
Net Cost of District Services	50,293,610	(35,526,190)	14,767,420
Parish Precepts			
Abbots Langley	341,756	0	341,756
Chorleywood	216,000	0	216,000
Croxley Green	194,946	0	194,946
Sarratt	47,000	0	47,000
Watford Rural	66,500	0	66,500
Adjustment for Capital Charges	(3,412,350)	0	(3,412,350)
Interest	300,000	(875,000)	(575,000)
Net transfer from Housing Revenue	0	(90,290)	(90,290)
Account	(254,350)	0	(254,350)
Adjustment for Pensions	750,000	0	750,000
Revenue Contribution to Capital	0	(907,895)	(907,895)
Contribution from Revenue Balances			
Amount to be met from Government Grants and by Taxpayers - Total Budget Requirement	48,543,112	(37,399,375)	11,143,737

2.4 ***Redistributed Non-Domestic Rates, Revenue Support Grant and Collection Fund Surplus.***

The Secretary of State for the Environment, Transport and the Regions informed the Council by letter dated 29 January 2004 of the following:-

	£
Redistributed Non-Domestic Rate	2,248,068
Revenue Support Grant	2,517,402
Total External Support	4,765,470

In accordance with Section 33(2) of the Act, the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1994 and the Collection Fund (Community Charges) (England) Directions 1994, the 2004/2005 Council Tax is to be increased by:-

	£
Estimated Surplus on Community Charges for 2003/04	435
Estimated Deficit on Council Tax Collection for 2003/04	(62,555)
Three Rivers Proportion of Collection Fund 2003/04	(62,120)

The total of External Support and Collection Fund Deficit is as follows;-

	£
Total External Support	4,765,470
Three Rivers Proportion of Collection Fund 2003/04	(62,120)
Total	4,703,350

(Cross Reference: Recommendation 6.3 (d) below).

2.5 ***Basic Amount of Tax***

Calculated as follows:-

$$\frac{\text{Budget Requirement less NNDR, Revenue Support Grant and Collection Fund Deficit}}{\text{Council Tax Base}}$$

$$\frac{11{,}143{,}737 - 4{,}703{,}350}{36{,}985.18} = £174.13$$

This is the charge that, were there no special expenses in a part of the area, would be levied on a Band D property with two or more adults to meet District and Parish expenditure.

(Cross Reference: Recommendation 6.3 (e) below).

2.6 ***Aggregate Amount of Special Items***

Special items include both Parish Precepts and Special Expenses:-

	£	£
Parish Precepts		
Abbots Langley P.C.	341,756	
Chorleywood P.C.	216,000	
Croxley Green P.C.	194,946	
Sarratt P.C.	47,000	
Watford Rural P.C.	66,500	
Total Parish Precepts		866,202
Special Expenses (See also Appendix 1)		
Area:		
Abbots Langley	(9,305)	
Chorleywood	47,983	
Croxley Green	53,457	
Sarratt	0	
Watford Rural	172,840	
Unparished	384,527	
Total Special Expenses		649,502
Total Special Items		1,515,704

(Cross Reference: Recommendation 6.3 (f) below).

2.7 ***Basic Amount of Council Tax for Dwellings in a Part of the District Were No Special Items to Apply***

This calculation gives a basic amount of tax for a dwelling in a part of the area to which no special item relates. In fact there is no dwelling in the District to which this applies but the figure is calculated to enable special items in part of the District to be subsequently added back:-

$$\text{Basic Amount of Tax (Paragraph 2.5 above and Recommendation 6.3 (e))} - \frac{\text{Aggregate of Special Items (Paragraph 2.6 above and Recommendation 6.3 (f))}}{\text{Council's Total Tax Base (Paragraph 2.2 above and Recommendation 6.2 (a))}}$$

$$174.13 - \frac{1{,}515{,}704}{36{,}985.18} = £133.15$$

This figure equates to the District Council's charge for "General Expenses".

(Cross Reference: Recommendation 6.3 (g) below)

2.8 ***Council Tax for Part of the Council's Area***

This calculation adds back to the calculation at paragraph 2.7 above, the Special items that relate to each part of the District with regard to the tax base in each part, i.e.:-

	A Langley £	Chorleywood £	Croxley Green £	Sarratt £	Watford Rural £	Unparished £
Special Items Precepts Special Exps	 341,756 (9,305)	 216,000 47,983	 194,946 53,457	 47,000 0	 66,500 172,840	 0 384,527
Sub-Total	332,451	263,983	248,403	47,000	239,340	384,527
Divided by Tax Base	 7,550.45	 5,847.69	 5,251.20	 1,055.40	 7,744.07	 9,536.37
Sub-Total	44.03	45.14	47.30	44.53	30.91	40.32
Add Council Tax if no Special Items existed	 133.15	 133.15	 133.15	 133.15	 133.15	 133.15
Total	177.18	178.29	180.45	177.68	164.06	173.47

(Cross Reference: Recommendation 6.3 (h) below).

2.9 ***Charges for Each Band***

The figures for each band of property at Recommendation 6.3 (i) below is arrived at by taking the charge for a Band D property at paragraph 2.8 above and Recommendation 6.3 (h) and scaling it depending on the valuation band in which the property is listed. The proportions are:-

Band	
A	6:9
B	7:9
C	8:9
D	9:9
E	11:9
F	13:9
G	15:9
H	18:9

(Cross Reference: Recommendation 6.3 (i))

3. **Major Precepting Authorities**

3.1 The Hertfordshire County Council met on 12 February 2004 to determine its budget. A precept was announced of £33,085,832.47 giving a Band D charge of £894.57. The Hertfordshire Police Authority determined its budget on 23 February 2004. Its precept was £4,161,942.31 giving a Band D charge of £112.53. Applying the appropriate proportions gives the charges shown in Recommendation 6.4.

(Cross Reference: Recommendation 6.4 below).

4. **Financial Implications**

4.1 Applying the charges contained in this report will generate the income required to meet District and Parish Councils' expenditure after discounts and non-payment, allowance for which has been included in the Council Tax Base.

5. **Legal Implications**

5.1 This report and its recommendations comply with the requirements of the Local Government Finance Act 1992.

6. **Recommendations**

6.1 That it be noted that, at its meeting on 10 February 2004, the Council approved a General Fund revenue budget for 2004/2005 of £11,143,737.

9.2 That it be noted that, at its meeting on 16 December 2003, the Council calculated the following amounts for the year 2004/2005 in accordance with Regulations made under Section 33(5) of the Local Government Finance Act 1992:-

(a) 36,985.18 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year.

(b) Parts of the Council's area:-

Abbots Langley	7,550.45
Chorleywood	5,847.69
Croxley Green	5,251.20
Sarratt	1,055.40
Watford Rural	7,744.07
Unparished Area	9,536.37

being the amounts calculated by the Council, in accordance with Regulation 6 of the regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

9.3 That the following amounts be now calculated by the Council for the year 2004/2005 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

(a) £48,543,112 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.

(b) £33,653,005 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.

(c) £11,143,737 being the amount by which the aggregate at 9.3(a) above exceeds the aggregate at 9.3(b) above, calculated by the Council in accordance with Section 32(4) of the Act, as its budget requirement for the year.

(d) £4,703,350 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant, decreased by the amount of the sums which the Council estimates will be transferred in the year to its collection fund from its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax Deficit), and increased by the amount of any sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charges) Directions under Section 98(4) of the Local Government Finance Act 1988 made on 7 February 1994 (Community Charge Surplus).

(e) £174.13 being the amount at 9.3(c) above less the amount at 9.3(d) above, all divided by the amount at 9.2(a) above, calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.

(f) £1,515,704 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

(g) £133.15 being the amount at 9.3(e) above less the result given by dividing the amount at 9.3(f) above by the amount at 9.2(a) above, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of the area to which no special item relates.

(h)

Parts of the Council's Area	£
Abbots Langley	177.18
Chorleywood	178.29
Croxley Green	180.45
Sarratt	177.68
Watford Rural	164.06
Unparished	173.47

being the amounts given by adding to the amount at 9.3(g) above the amounts of the special item or items relating to the dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 9.2(b) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(i)

Parts of the Council's Area	**Valuation Bands**							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbots Langley	118.12	137.81	157.49	177.18	216.55	255.93	295.30	354.36
Chorleywood	118.86	138.67	158.48	178.29	217.91	257.53	297.15	356.58
Croxley Green	120.30	140.35	160.40	180.45	220.55	260.65	300.75	360.90
Sarratt	118.45	138.20	157.94	177.68	217.16	256.65	296.13	355.36
Watford Rural	109.37	127.60	145.83	164.06	200.52	236.98	273.43	328.12
Unparished	115.64	134.92	154.20	173.47	212.02	250.57	289.12	346.94

being the amounts given by multiplying the amounts at 9.3(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

6.4 That it be noted that for the year 2004/2005 the Hertfordshire County Council and the Hertfordshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Precepting Authority	**Valuation Bands**							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hertfordshire County Council	596.38	695.78	795.17	894.57	1,093.36	1,292.16	1,490.95	1,789.14
Hertfordshire Police Authority	75.02	87.52	100.03	112.53	137.54	162.54	187.55	225.06
Total	671.40	783.30	895.20	1,007.10	1,230.90	1,454.70	1,678.50	2,014.20

6.5 That, having calculated the aggregate in each case of the amounts at 2.1.3(i) and 7.4 above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2004/2005 for each of the categories of dwellings shown below:-

Parts of the Council's Area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbots Langley	789.52	921.11	1,052.69	1,184.28	1,447.45	1,710.63	1,973.80	2,368.56
Chorleywood	790.26	921.97	1,053.68	1,185.39	1,448.81	1,712.23	1,975.65	2,370.78
Croxley Green	791.70	923.65	1,055.60	1,187.55	1,451.45	1,715.35	1,979.25	2,375.10
Sarratt	789.85	921.50	1,053.14	1,184.78	1,448.06	1,711.35	1,974.63	2,369.56
Watford Rural	780.77	910.90	1,041.03	1,171.16	1,431.42	1,691.68	1,951.93	2,342.32
Unparished	787.05	918.22	1,049.40	1,180.57	1,442.92	1,705.27	1,967.62	2,361.14

Report Prepared by:
David Gardner - Director of Corporate Resources
Susan Townshend – Exchequer Services Manager

Background Papers:
Local Government Finance Act 1992 and Regulations made thereunder.
Council minutes concerning the budget for 2004/2005.
Report to Council – 16 December 2003 - The Council Tax Base
Notification from the Department of the Environment concerning Revenue Support Grant and Non-Domestic Rate Redistribution.
Notification of Parish Precepts, County Council and Police Authority Precepts.

Appendix A

COLLECTION FUND Income and Expenditure Account	2003/2004 Estimated Community Charges £	2003/2004 Estimated Council Tax £	2003/2004 Estimated Total £
Income			
Council Tax	0	37,990,492	37,990,492
Council Tax Benefit inc.Subsidy Limitation	0	3,205,993	3,205,993
Contributions to Prior Year Deficit			
Hertfordshire County Council	0	134,631	134,631
Hertfordshire Police Authority	0	15,175	15,175
Three Rivers District Council	0	27,712	27,712
Overprovision for Uncollectable Community Charges	350	0	350
Total Income	350	41,374,003	41,374,353
Expenditure			
Precepts and Demands			
Hertfordshire County Council	0	31,425,204	31,425,204
Hertfordshire Police Authority	0	3,634,605	3,634,605
Three Rivers District Council	0	6,264,453	6,264,453
Contributions to Prior Year Surplus	714	0	714
Provision for Uncollectable Council Tax	0	231,931	231,931
Total Expenditure	714	41,556,193	41,556,907
Surplus/Deficit (-) for Year	-364	-182,190	-182,554

COLLECTION FUND Fund Balance and Appropriation Account	2003/2004 Estimated Community Charges £	2003/2004 Estimated Council Tax £	2003/2004 Estimated Total £
Balance Brought Forward 01.04.2002	799	-230,462	-229,663
Add:			
Surplus/Deficit (-) for Year	-364	-182,190	-182,554
Balance Carried Forward 31.03.2003	435	-412,652	-412,217
Appropriations Reducing(-)/Increasing 2003/2004 Council Tax Charge:			
Transfer to:			
Three Rivers DC General Fund	435	-62,555	-62,120
Hertfordshire County Council	0	-313,803	-313,803
Hertfordshire Police Authority	0	-36,294	-36,294
Total	435	-412,652	-412,217

Appendix B

Special Items 2004/2005	Abbots Langley	Chorleywood	Croxley Green	Sarratt	Watford Rural	Unparished	Total
	£	£	£	£	£	£	£
Special Expenses							
Aquadrome	0	0	0	0	0	69,030	69,030
The Centre, South Oxhey	0	0	0	0	5,000	0	5,000
Watersmeet	0	0	0	0	0	0	0
Playing Fields and Open Spaces	480	30,453	26,849	0	116,174	272,367	446,323
Playschemes	4,215	0	12,488	0	2,526	0	19,229
Woodlands	4,390	17,530	0	0	48,220	17,530	87,670
Cemeteries	0	0	14,120	0	0	25,600	39,720
Community Halls	-18,390	0	0	0	920	0	-17,470
Total Special Expenses	-9,305	47,983	53,457	0	172,840	384,527	649,502
Parish Council Precepts	341,756	216,000	194,946	47,000	66,500	0	866,202
Total Special Items	332,451	263,983	248,403	47,000	239,340	384,527	1,515,704
Council Tax Base	7,550.45	5,847.69	5,251.20	1,055.40	7,744.07	9,536.37	36,985.18
Band D Charge for Special Items	44.03	45.14	47.30	44.53	30.91	40.32	40.98

Revenue Budget 2004 - 2005

The Council's detailed budgets are shown below.

		2004/05 Original Budget	Govt Grants	Other Grants	Sales	Fees &	Rents Charges	Interest Earned	Transfers from Reserves	Internal Rech-arges	TOTAL INCOME	Employ-ees	Premises	Transport	Supplies /Services	Agency & Contracts	Transfer Payments	Capital Charges	Interest Paid	Transfer to Reserves	Internal Rech-arges	TOTAL EXP	NET EXP
		Cost Centres	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
		Highways and Transportation																					
1400	H&E	Car Park-Enforcement - SPA	0	0	0	279400	0	0	0	0	279400	24350	5500	0	21000	189370	0	41860	0	0	23120	305200	**25800**
1401	H&E	Car Park-Enforcement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1402	H&E	Car Park-Maintenance	0	0	0	0	770	0	0	0	770	0	82660	0	0	0	0	39220	0	0	70750	192630	**191860**
1406	H&E	Dial-a-Ride	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42500	0	0	0	30	42530	**42530**
1407	LCD	Concessionary Fares	0	0	84050	0	0	0	0	0	84050	0	0	0	0	0	522750	0	0	0	38140	560890	**476840**
1409	H&E	Street Naming and Numbering	0	0	0	0	0	0	0	0	0	0	16500	0	0	0	0	0	0	0	34910	51410	**51410**
1410	H&E	Footpath Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1411	H&E	Footpath Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1414	H&E	Miscellaneous Highways	0	0	0	0	0	0	0	0	0	0	8000	0	0	0	0	253010	0	0	63140	324150	**324150**
1415	H&E	Highways Partnership	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1423	H&E	Better Buses Fund	0	0	0	0	0	0	0	0	0	0	0	0	102220	0	0	0	0	0	50	102270	**102270**
1434	PSH	Environmental Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	19220	774960	0	2530	0	0	120910	917620	**917620**
		Sub-Total	0	0	84050	279400	770	0	0	0	364220	24350	112660	0	142440	964330	565250	336620	0	0	351050	2496700	**2132480**
		Planning & Economic Devlmnt																					
1541	H&E	Planning Delivery Grant	0	55580	0	0	0	0	0	0	55580	31170	0	0	25000	0	0	0	0	0	0	56170	**590**
1204	H&E	Rickmansworth Regeneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36290	0	0	0	36290	**36290**
1529	H&E	Building Control General	0	0	0	0	0	0	0	0	0	0	0	0	6340	0	0	0	0	0	1230	7570	**7570**
1549	H&E	Planning Administration	0	0	0	0	0	0	0	139690	139690	117990	0	350	360	0	0	0	0	0	20990	139690	**0**
1542	H&E	Planning Environmental Initiative	0	0	0	0	0	0	0	0	0	0	7750	0	80130	0	0	5000	0	0	123740	216620	**216620**
1543	H&E	Planning Economic Development	0	0	0	0	0	0	0	0	0	0	0	0	5000	0	0	27800	0	0	53750	86550	**86550**
1544	H&E	Building Control Enforcement	0	0	0	0	0	0	0	0	0	0	0	0	1500	0	0	0	0	0	1270	2770	**2770**
1545	H&E	Development Control	0	0	10300	246580	0	0	0	268030	524910	356040	0	16160	55370	0	0	0	0	0	700630	1128200	**603290**
1546	H&E	Director of Planning & Leisure	0	0	0	0	0	0	0	408030	408030	181370	0	4830	3550	0	0	0	0	0	218280	408030	**0**
1547	H&E	Development Plans & Transport	15000	2660	0	0	6990	0	0	533640	558290	332750	0	11030	52950	0	0	178640	0	0	267330	842700	**284410**
1548	H&E	Building Control	0	0	1000	334000	0	0	0	173880	508880	310620	0	21150	25840	0	0	0	0	0	273680	631290	**122410**
		Sub-Total	15000	58240	11300	580580	6990	0	0	1523270	2195380	1329940	7750	53520	256040	0	0	247730	0	0	1660900	3555880	**1360500**
		Leisure Services																					
1450	LCD	Rickmansworth Golf Course	0	0	0	464850	270	0	0	0	465120	0	48940	0	69470	180350	0	43720	0	0	75210	417690	**-47430**
1454	LCD	Community Arts	0	0	0	5550	0	0	0	0	5550	48620	0	1740	13850	0	0	0	0	0	31670	95880	**90330**
1460	LCD	PDU Leavesden	0	0	0	0	26000	0	0	0	26000	0	0	0	0	0	0	6970	0	0	7610	14580	**-11420**
1462	LCD	The Centre, Oxhey	0	0	33110	275750	58140	0	0	0	367000	293290	85980	500	73630	0	0	31010	0	0	128530	612940	**245940**
1463	LCD	Active Community Deve Fund	0	27000	11100	0	0	0	0	0	38100	31660	5350	600	2000	0	0	0	0	0	11230	50840	**12740**
1466	LCD	Oxhey Hall	0	0	0	0	1190	0	0	0	1190	0	0	0	0	0	0	0	0	0	2110	2110	**920**
1469	LCD	Grants/Subscriptions-Leisure	0	0	0	0	0	0	0	0	0	0	0	0	28600	0	0	60000	0	0	18870	107470	**107470**
1470	LCD	Allotments	0	0	0	0	400	0	0	0	400	0	0	0	0	0	0	0	0	0	4410	4410	**4010**
1471	LCD	Woodlands	0	0	0	3160	0	0	0	49630	52790	38500	22160	0	4710	0	0	2740	0	0	75090	143200	**90410**
1472	LCD	Museum	0	0	0	0	50	0	0	0	50	0	0	0	0	0	0	0	0	0	20010	20010	**19960**
1473	LCD	Playing Fields & Open Spaces	0	20600	30990	46770	0	0	0	0	98360	0	77050	0	9600	0	0	56060	0	0	226270	368980	**270620**
1489	LCD	Aquadrome	0	0	0	36740	0	0	0	0	36740	0	19890	0	700	0	0	21800	0	0	114770	157160	**120420**
1491	LCD	William Penn Leisure Centre	0	0	0	40000	0	0	0	0	40000	0	92130	0	0	0	0	53930	0	0	56000	202060	**162060**
1494	LCD	Leisure Development	0	0	0	0	0	0	0	112810	112810	118970	0	5250	0	0	0	0	0	0	49330	173550	**60740**
1495	LCD	Sports Development - Playschemes	0	0	0	10250	0	0	0	0	10250	22100	7460	0	12700	0	0	0	0	0	37980	80240	**69990**
1496	LCD	Sports Development - Sports Projects	0	0	0	5540	0	0	0	0	5540	17480	540	0	17670	0	0	0	0	0	18300	53990	**48450**
1498	LCD	Grants/Subscriptions-Community	0	0	0	0	0	0	0	0	0	0	0	0	43300	0	0	0	0	0	24020	67320	**67320**
1497	LCD	Croxley Skatepark	0	0	0	10250	0	0	0	0	10250	18540	1000	0	3430	0	0	43390	0	0	38790	105150	**94900**
1499	LCD	Leisure Client Management	0	0	0	0	0	0	0	520440	520440	240720	0	6170	7700	0	0	0	0	0	266100	520690	**250**
3573	LCD	TRC - Sir James Altham Pool	0	0	27980	277940	12670	0	0	0	318590	264370	87530	200	55850	0	0	5460	0	0	97090	510500	**191910**
9587	LCD	TRC - Aquadrome	0	0	0	0	0	0	0	68360	68360	43870	0	0	8000	0	0	0	0	0	16490	68360	**0**
9594	LCD	TRC - Grounds Maintenance	0	0	0	0	0	0	0	0	0	196540	0	45120	40410	0	0	17710	0	0	11720	311500	**311500**
1455	LCD	Watersmeet - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	156590	0	0	0	156590	**156590**
1456	LCD	Watersmeet - Entertainments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1457	LCD	Watersmeet - Bar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1458	LCD	Watersmeet - Catering	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Sub-Total	0	47600	103180	1176800	98720	0	0	751240	2177540	1334660	448030	59580	391620	180350	0	499380	0	0	1331600	4245220	**2067680**
		Waste Collection and Disposal																					
1420	PSH	Domestic Refuse Collection	0	0	0	70090	0	0	0	0	70090	0	400	0	44670	0	0	381700	0	0	1735060	2161830	**2091740**
1421	PSH	Trade Refuse Collection	0	0	0	215250	0	0	0	0	215250	0	0	0	92100	0	0	17810	0	0	209730	319640	**104390**
1427	PSH	Clinical Waste Collection	0	0	0	60100	0	0	0	0	60100	0	0	0	14290	0	0	0	0	0	89450	103740	**43640**
1424	PSH	Recycling-General	0	0	1990	23110	0	0	0	0	25100	0	8100	0	1500	0	0	6430	0	0	42950	58980	**33880**
9590	PSH	TRC Waste Management	0	0	0	0	0	0	0	2357800	2357800	1542330	4100	665420	51260	0	0	0	0	0	94690	2357800	**0**
1428	PSH	Recycling-Kerbside	0	0	74560	135500	0	0	0	0	210060	0	0	0	66420	0	0	83710	0	0	1014980	1165110	**955050**
		Sub-Total	0	0	76550	504050	0	0	0	2357800	2938400	1542330	12600	665420	270240	0	0	489650	0	0	3186860	6167100	**3228700**

		2004/05 Original Budget Cost Centres	Govt Grants £	Other Grants £	Sales £	Fees & £	Rents Charges £	Interest Earned £	Transfers from Reserves £	Internal Rech-arges £	TOTAL INCOME £	Employ-ees £	Premises £	Transport £	Supplies /Services £	Agency & Contracts £	Transfer Payments £	Capital Charges £	Interest Paid £	Transfer to Reserves £	Internal Rech-arges £	TOTAL EXP £	NET EXP £
		Environmental Health																					
1186	PSH	Unfit Private Sector Housing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51160	51160	**51160**
1187	PSH	Shared Facilities-Dog Bye Laws	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1403	PSH	Sewerage	0	0	0	40	0	0	0	0	40	0	4000	0	0	0	0	0	0	0	23530	27530	**27490**
1412	PSH	Landfill Gas	0	0	0	0	0	0	0	0	0	0	1500	0	0	0	0	0	0	0	3980	5480	**5480**
1429	PSH	Abandoned Vehicles	0	0	10000	0	0	0	0	0	10000	0	0	0	17000	0	0	0	0	0	45140	62140	**52140**
1430	PSH	Cesspool Emptying	0	0	0	12300	0	0	0	0	12300	0	0	0	0	0	0	0	0	0	6850	6850	**-5450**
1431	PSH	Pest Control	0	0	0	24840	0	0	0	0	24840	28030	0	0	6460	0	0	0	0	0	76580	111070	**86230**
1435	PSH	Public Conveniences	0	0	0	10	0	0	0	0	10	0	16080	0	52600	0	0	2410	0	0	3640	74730	**74720**
1436	PSH	Env Health - Commercial Team	0	0	0	8150	0	0	0	41910	50060	130440	0	4870	15450	35000	0	7340	0	0	121120	314220	**264160**
1437	PSH	Health and Safety	0	0	0	0	0	0	0	0	0	42670	0	1100	4000	0	0	0	0	0	24090	71860	**71860**
1439	PSH	Animal Control	0	0	0	7460	0	0	0	0	7460	28500	0	0	12500	0	0	0	0	0	28020	69020	**61560**
1227	LCD	Community Safety	0	120450	0	0	0	0	0	0	120450	30660	0	1450	192800	0	0	0	0	0	122930	347840	**227390**
1442	PSH	Env Health - Residential Team	0	0	0	2260	0	0	0	218140	220400	166030	0	9780	5250	0	0	0	0	0	94370	275430	**55030**
1445	PSH	Licenses-Hackney Carriage	0	0	0	106890	0	0	0	0	106890	44550	0	1250	6000	0	0	0	0	0	42970	94770	**-12120**
1449	PSH	Environmental Health	0	0	0	0	0	0	0	296670	296670	152160	0	2050	17300	0	0	0	0	0	125160	296670	**0**
		Sub-Total	0	120450	10000	161950	0	0	0	556720	849120	623040	21580	20500	329360	35000	0	9750	0	0	769540	1808770	**959650**
		Other Environmental Services																					
1397	H&E	Land Drainage	0	0	0	0	0	0	0	0	0	0	6000	0	0	0	0	51120	0	0	10200	67320	**67320**
1432	PSH	Grants for Environmental Projects	0	0	0	0	0	0	0	0	0	0	0	0	1000	0	0	0	0	0	180	1180	**1180**
1446	PSH	Cemeteries	0	0	0	44780	0	0	0	0	44780	0	5570	0	1000	0	0	8290	0	0	33800	48660	**3880**
1448	PSH	Environmental Protection	0	0	0	0	0	0	0	489250	489250	363910	0	23550	6110	0	0	0	0	0	95680	489250	**0**
		Sub-Total	0	0	0	44780	0	0	0	489250	534030	363910	11570	23550	8110	0	0	59410	0	0	139860	606410	**72380**
HSRA		**Housing Revenue Account**																					
2001	H&E	Clitheroe Bungalows	46120	0	0	0	0	0	0	0	46120	21910	0	100	4140	0	0	0	0	0	9880	36030	**-10090**
2002	H&E	Clitheroe Flats	47000	0	0	0	0	0	0	0	47000	21920	1340	100	4140	0	0	0	0	0	9940	37440	**-9560**
2003	H&E	Clitheroe Club	0	0	0	5000	0	0	0	0	5000	250	9290	20	1500	0	0	0	0	0	650	11710	**6710**
2004	H&E	Trevose/Harrogate	43970	0	0	0	0	0	0	0	43970	28260	3740	100	4140	0	0	0	0	0	9660	45900	**1930**
2005	H&E	Hallowes Crescent	43940	0	0	0	0	0	0	0	43940	26150	3800	100	4150	0	0	0	0	0	9660	43860	**-80**
2006	H&E	Moneyhill Court	43630	0	0	370	0	0	0	0	44000	21890	4130	100	4140	0	0	0	0	0	9660	39920	**-4080**
2007	H&E	St Marys Court	46250	0	0	410	0	0	0	0	46660	25350	4210	100	4140	0	0	0	0	0	9880	43680	**-2980**
2008	H&E	Frogmoor Court	44700	0	0	320	0	0	0	0	45020	25250	3330	100	4040	0	0	0	0	0	9710	42430	**-2590**
2009	H&E	Grove Court	44870	0	0	320	0	0	0	0	45190	25620	3130	100	4040	0	0	0	0	0	9770	42660	**-2530**
2010	H&E	Tanners Wood Court	42340	0	0	290	0	0	0	0	42630	21950	5010	100	4060	0	0	0	0	0	9540	40660	**-1970**
2103	H&E	Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	353200	3740	356940	**356940**
2104	H&E	Cost of Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3941430	0	0	0	3941430	**3941430**
2111	H&E	Repair and Maintenance-Planned	0	0	0	0	0	0	0	0	0	0	521290	0	3100	0	0	0	0	0	146360	670750	**670750**
2120	H&E	Policy and Management	0	0	0	0	0	0	0	0	0	11000	2310	0	500	0	0	0	0	0	1108750	1122560	**1122560**
2121	H&E	Welfare-General	17400	0	0	63320	0	0	0	0	80720	0	0	0	25080	0	0	0	0	0	195770	220850	**140130**
2122	H&E	Applications & Lettings	0	0	0	0	0	0	0	0	0	0	30000	0	5800	0	0	0	0	0	262540	298340	**298340**
2123	H&E	Rent Collection & Accounting	0	0	0	7000	0	0	0	0	7000	0	300	0	44900	0	0	0	0	0	526280	571480	**564480**
2124	H&E	Tenancy Enforcement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	214070	214070	**214070**
2131	H&E	Warden Supervised Schemes	0	0	0	0	0	0	0	258990	258990	166830	0	9850	3500	0	0	0	0	0	78810	258990	**0**
2132	H&E	Maintenance of Open Spaces	0	0	0	0	0	0	0	0	0	0	45770	0	0	0	0	0	0	0	60390	106160	**106160**
2133	H&E	Housing Defects Act	191590	0	0	0	0	0	0	0	191590	0	0	0	0	0	0	0	0	0	0	0	**-191590**
2134	H&E	Central Heating	0	0	0	54320	0	0	0	0	54320	0	54320	0	0	0	0	0	0	0	760	55080	**760**
2136	H&E	Caretaking and Cleaning	0	0	0	8300	0	0	0	0	8300	29660	12200	0	200	0	0	0	0	0	9480	51540	**43240**
2137	H&E	Community Rooms	0	0	0	1570	0	0	0	0	1570	0	8180	0	6400	0	0	0	0	0	600	15180	**13610**
2138	H&E	Maintenance of Lifts	0	0	0	0	0	0	0	0	0	0	9000	0	0	0	0	0	0	0	50	9050	**9050**
2141	H&E	Other Communal Services	0	0	0	420	0	0	0	0	420	0	50820	0	0	0	0	0	0	0	10120	60940	**60520**
2142	H&E	Tenant Participation	0	0	0	0	0	0	0	0	0	0	1430	250	27400	0	0	0	0	0	79340	108420	**108420**
2146	H&E	Repair & Maintenance-Responsive	0	0	0	-1700	0	0	0	0	-1700	0	1416000	0	0	0	0	0	0	0	749850	2165850	**2167550**
2155	H&E	Sale of Council Houses	0	0	0	0	0	18520	0	219060	237580	0	0	0	29020	0	0	0	0	0	208560	237580	**0**
2160	H&E	Rent Income	0	0	0	0	13584540	0	0	0	13584540	0	0	0	0	0	0	0	0	0	0	0	**-13584540**
2161	H&E	Interest	0	0	0	0	0	990480	0	0	990480	0	0	0	0	0	0	0	0	0	0	0	**-990480**
2162	H&E	Housing Subsidy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4508250	0	0	0	0	4508250	**4508250**
9591	H&E	TRC - Bolier & Gas Maintenance	0	0	0	0	0	0	0	0	0	375290	0	38900	216550	0	0	0	0	0	17920	648660	**648660**
2173	H&E	SOCF General Expenses	0	0	0	32940	0	0	0	0	32940	0	0	0	0	0	0	0	0	0	40160	40160	**7220**
9593	H&E	TRC Housing Maintenance	0	0	0	621220	0	0	0	124440	745660	423690	0	4200	136750	10000	0	23490	0	0	147530	745660	**0**
2165	H&E	Internal Recharge adj bween GF & HRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
2105	H&E	Contribution to Bad Debts/Economic cost of pensions	0	0	0	0	0	0	0	0	0	-100000	0	0	0	0	0	0	0	0	0	-100000	**-100000**
		Sub-Total	611810	0	0	794100	13584540	1009000	0	602490	16601940	1125020	2189600	54120	537690	10000	4508250	3964920	0	353200	3949430	16692230	**90290**

		2004/05 Original Budget	Govt Grants	Other Grants	Sales	Fees &	Rents Charges	Interest Earned	Transfers from Reserves	Internal Rech-arges	TOTAL INCOME	Employ-ees	Premises	Transport	Supplies /Services	Agency & Contracts	Transfer Payments	Capital Charges	Interest Paid	Transfer to Reserves	Internal Rech-arges	TOTAL EXP	NET EXP
		Cost Centres	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
		Housing Services																					
1109	H&E	Housing Maintenance Management	0	0	0	0	0	0	0	278810	278810	124490	0	370	1250	0	0	0	0	0	152700	278810	**0**
1110	H&E	Housing Maintenance Inspectors	0	0	0	0	0	0	0	229200	229200	140380	0	15720	370	0	0	0	0	0	72730	229200	**0**
1111	H&E	Housing Services Management	0	0	0	0	0	0	0	190850	190850	64650	0	560	1300	0	0	0	0	0	124340	190850	**0**
1112	H&E	Housing Services Needs	0	0	0	0	0	0	0	231810	231810	129340	0	4820	2580	0	0	0	0	0	95070	231810	**0**
1113	H&E	Housing Services Allocations	0	0	0	0	0	0	0	327150	327150	161430	0	6570	1800	0	0	0	0	0	157350	327150	**0**
1114	H&E	Housing Services Residential	0	34910	0	0	0	0	0	602770	637680	397170	0	13660	20910	0	0	0	0	0	212770	644510	**6830**
1181	H&E	Improvement Grants	150000	0	0	0	0	0	0	0	150000	0	0	0	0	0	0	356000	0	0	122970	478970	**328970**
1182	H&E	Housing Association Nominations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11170	11170	**11170**
1183	H&E	Housing Defects Act	104120	0	0	0	0	0	0	0	104120	0	0	0	0	0	0	0	0	0	0	0	**-104120**
1184	H&E	Care & Repair Coordination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20000	0	0	56080	76080	**76080**
1185	H&E	Private Sector Advice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	103850	103850	**103850**
1188	H&E	Welfare	0	0	0	28680	0	0	0	0	28680	0	0	0	0	0	0	0	0	0	52240	52240	**23560**
1189	H&E	Community Initiatives	0	0	0	0	0	0	0	0	0	0	0	0	3400	0	0	0	0	0	54210	57610	**57610**
1193	H&E	Rent Rebate-Local Enhancement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31520	0	0	0	0	31520	**31520**
1194	H&E	Homeless Family Accommodation	21000	0	0	38250	0	0	0	0	59250	0	93080	0	22350	0	0	6450	0	0	163640	285520	**226270**
1195	H&E	Housing Act Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1196	H&E	Housing Associations	0	0	0	0	5000	15580	0	0	20580	0	0	0	3000	0	0	0	0	0	36700	39700	**19120**
2108	H&E	Departmental Policy Team	0	20440	0	650	0	0	0	563210	584300	305860	0	7030	31160	0	0	0	0	0	240250	584300	**0**
1199	H&E	*Housing Strategy GF*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39360	39360	**39360**
9565	H&E	Depot - Batchworth	0	0	0	0	8000	0	0	69360	77360	0	38020	0	2000	0	0	20480	0	0	9010	69510	**-7850**
9566	HSG	Depot - Riverside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
9567	H&E	Depot - Prestwick Road	0	0	0	0	0	0	0	0	0	0	6530	0	0	0	0	2220	0	0	0	8750	**8750**
9568	H&E	Depot - Oxhey Parks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
9571	H&E	Transport	0	0	0	0	0	0	0	124670	124670	0	0	98720	0	0	0	0	0	0	25950	124670	**0**
9582	H&E	Officers Standby	0	0	0	0	0	0	0	21500	21500	15200	0	0	0	0	0	0	0	0	6300	21500	**0**
		Sub-Total	275120	55350	0	67580	13000	15580	0	2639330	3065960	1338520	137630	147450	90120	0	31520	405150	0	0	1736690	3887080	**821120**
		Corporate & Democratic Core																					
1201	RES	Corporate Management	0	0	0	0	0	0	0	300600	300600	0	0	0	192600	0	0	0	0	0	775970	968570	**667970**
1207	RES	Council Newspaper	0	0	0	0	0	0	0	0	0	0	0	0	32720	0	0	0	0	0	12360	45080	**45080**
1209	RES	Democratic Representation	0	0	6000	0	0	0	0	0	6000	1920	0	0	322960	0	0	26260	0	0	290690	641830	**635830**
1211	RES	IT Compatibility/Development	0	0	0	0	0	0	0	0	0	0	0	0	28790	0	0	0	0	0	214900	243690	**243690**
1268	RES	Corporate Publicity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	199130	199130	**199130**
		Sub-Total	0	0	6000	0	0	0	0	300600	306600	1920	0	0	577070	0	0	26260	0	0	1493050	2098300	**1791700**
		Local Tax Collection																					
1256	RES	**NNDR**	101510	0	0	8000	0	0	0	0	109510	29900	0	0	4050	0	0	0	0	0	86590	120540	**11030**
1252	RES	Council Tax/CC/NNDR Collection	0	0	0	102500	0	0	0	0	102500	243580	0	4300	36400	0	0	0	0	0	475160	759440	**656940**
		Sub-Total	101510	0	0	110500	0	0	0	0	212010	273480	0	4300	40450	0	0	0	0	0	561750	879980	**667970**
		Housing Benefits																					
1253	RES	Benefits and Allowances	10187070	4744000	0	0	0	0	0	0	14931070	321670	0	1150	22330	0	14551000	0	0	0	285130	15181280	**250210**
1258	RES	Benefits Fraud	59000	0	0	420	0	0	0	0	59420	150400	0	10730	17250	0	0	0	0	0	36510	214890	**155470**
		Sub-Total	10246070	4744000	0	420	0	0	0	0	14990490	472070	0	11880	39580	0	14551000	0	0	0	321640	15396170	**405680**
		Central Support Services:																					
1241	RES	Accountancy Practice	0	0	0	0	0	0	0	509030	509030	353320	0	10760	4000	0	0	0	0	0	140950	509030	**0**
1249	RES	Internal Audit	0	0	0	0	0	0	0	114080	114080	0	0	0	2550	78000	0	0	0	0	33530	114080	**0**
1251	RES	Financial Admin Management	0	0	0	0	0	0	0	133520	133520	69600	0	320	6980	0	0	0	0	0	56620	133520	**0**
1254	RES	Payroll	0	0	0	0	0	0	0	91220	91220	0	0	5500	47600	0	0	0	0	0	38120	91220	**0**
1255	RES	Creditors	0	0	0	0	0	0	0	260620	260620	0	0	0	6000	0	0	0	0	0	254620	260620	**0**
1257	RES	Rent Accounting	0	0	0	0	0	0	0	139780	139780	69960	0	0	190	0	0	0	0	0	69630	139780	**0**
1259	RES	Cash Collection & Mortgages	0	0	0	0	0	0	0	197640	197640	0	0	0	31460	0	0	0	0	0	166180	197640	**0**
1262	RES	Insurances	0	0	0	14500	0	0	0	417280	431780	56090	181520	17120	126150	0	0	0	0	0	50900	431780	**0**
1263	RES	Treasury Services	0	0	0	0	0	0	0	179030	179030	106630	0	2740	1260	0	0	0	0	0	68400	179030	**0**
1264	RES	VAT & Stores	0	0	0	0	0	0	0	26900	26900	250	0	0	670	0	0	0	0	0	25980	26900	**0**
1266	RES	Sundry Debtors	0	0	0	3630	0	0	0	148180	151810	27050	0	0	11950	0	0	0	0	0	112810	151810	**0**
1248	RES	Information Technology	0	0	0	0	0	0	0	1949760	1949760	193710	0	5930	510010	494950	0	669370	0	0	75790	1949760	**0**
1271	RES	Recruitment & Training	0	0	0	4500	0	0	0	350760	355260	219280	0	1850	16200	0	0	0	0	0	117930	355260	**0**
1231	RES	Legal Practice	0	0	0	10000	0	0	0	423670	433670	283920	0	3050	24250	0	0	0	0	0	122450	433670	**0**
3234	RES	Valuers	0	0	0	2000	0	0	0	198620	200620	110000	0	5440	2050	0	0	2420	0	0	80710	200620	**0**
1230	RES	Internal Recharge adj bween GF & HRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
3237	RES	Surveyors	0	0	0	0	0	0	0	716440	716440	329010	0	19070	13630	0	0	0	0	0	354730	716440	**0**
1229	RES	Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
3238	RES	Property & Facilities Manager	0	0	0	0	0	0	0	275780	275780	234100	0	5410	1240	0	0	0	0	0	35030	275780	**0**
1291	RES	Three Rivers House	0	0	0	0	35000	0	0	810850	845850	0	425380	0	69750	0	0	274160	0	0	80340	849630	**3780**
1292	RES	Basing House	0	0	0	0	11000	0	0	51240	62240	0	13280	0	1230	0	0	37620	0	0	10240	62370	**130**
1294	RES	Oxhey Drive	0	0	0	0	0	0	0	17130	17130	0	10160	0	2560	0	0	3210	0	0	1200	17130	**0**
1223	RES	Corporate Resources	0	0	0	0	0	0	0	138770	138770	94280	0	3720	1230	0	0	0	0	0	39540	138770	**0**
1224	RES	Press and Public Relations	0	0	0	0	0	0	0	136310	136310	52010	4000	1150	21730	0	0	4860	0	0	52560	136310	**0**
1232	RES	Committee Administration	0	0	0	0	0	0	0	397040	397040	194200	0	7040	2130	0	0	0	0	0	193670	397040	**0**
1236	RES	Office Services	0	0	0	0	0	0	0	746880	746880	284180	0	850	350420	0	0	0	0	0	111430	746880	**0**
1239	RES	Elections & Electoral Register	0	0	0	0	0	0	0	107870	107870	57580	0	1150	100	0	0	0	0	0	49040	107870	**0**
1261	RES	Chief Executive	0	0	0	0	0	0	0	279000	279000	204420	0	4540	2950	0	0	0	0	0	67090	279000	**0**
1265	RES	Corporate Development	0	0	0	0	0	0	0	548520	548520	413250	0	5650	3500	0	0	0	0	0	126120	548520	**0**
		Sub-Total	0	0	0	34630	46000	0	0	9365920	9446550	3352840	634340	101290	1261790	572950	0	991640	0	0	2535610	9450460	**3910**

		2004/05 Original Budget	Govt Grants	Other Grants	Sales	Fees &	Rents Charges	Interest Earned	Transfers from Reserves	Internal Rech-arges	TOTAL INCOME	Employ-ees	Premises	Transport	Supplies /Services	Agency & Contracts	Transfer Payments	Capital Charges	Interest Paid	Transfer to Reserves	Internal Rech-arges	TOTAL EXP	**NET EXP**
		Cost Centres	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	**£**
		Other Services																					
1202	RES	Register of Electors	0	0	1100	0	0	0	0	0	1100	8860	0	0	7200	0	0	0	0	0	99010	115070	**113970**
1203	RES	Conducting Elections	0	0	0	0	0	0	0	0	0	0	0	0	37000	0	0	0	0	0	57100	94100	**94100**
1206	H&E	Fuel Voucher Scheme	0	0	0	0	0	0	0	0	0	0	0	0	4000	0	0	0	0	0	6390	10390	**10390**
1208	RES	Customer Services Centre	0	0	0	0	0	0	0	1124700	1124700	577990	0	500	20250	0	0	55900	0	0	472460	1127100	**2400**
1212	RES	Citizens Advice Bureaux	0	0	0	0	0	0	0	0	0	0	0	0	282850	0	0	0	0	0	15820	298670	**298670**
1215	RES	Major Incident Planning	0	0	0	0	0	0	0	0	0	0	0	0	4500	0	0	0	0	0	4160	8660	**8660**
1216	LCD	Community Development	0	0	0	0	0	0	0	14260	14260	0	0	0	5500	0	0	0	0	0	104460	109960	**95700**
1217	PSH	Travellers	0	0	0	0	0	0	0	0	0	0	0	0	7000	0	0	0	0	0	68770	75770	**75770**
1218	PSH	Health & Safety-Council	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1219	RES	Miscellaneous Inc & Exp	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
1220	RES	Non - Distributable Costs	0	0	0	0	0	0	0	163040	163040	465840	0	0	0	0	0	0	0	0	0	465840	**302800**
1222	RES	Pathfinder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	199490	0	0	60850	260340	**260340**
1228	RES	Energy Efficency	0	0	0	0	0	0	0	0	0	0	0	0	3000	0	0	0	0	0	0	3000	**3000**
1235	RES	Miscellaneous Properties	0	0	0	0	78000	0	0	0	78000	0	13530	0	32110	0	0	121550	0	0	25030	192220	**114220**
1391	H&E	Land Charges-Trading Account	0	0	0	351470	0	0	0	34440	385910	94810	0	500	26600	0	0	0	0	0	169340	291250	**-94660**
3031	RES	Vacancy Provision	0	0	0	0	0	0	0	0	0	-120000	0	0	0	0	0	0	0	0	0	-120000	**-120000**
		Sub-Total	0	0	1100	351470	78000	0	0	1336440	1767010	1027500	13530	1000	430010	0	0	376940	0	0	1083390	2932370	**1165360**
		Net Cost of District Services	11249510	5025640	292180	4106260	13828020	1024580	0	19923060	55449250	12809580	3589290	1142610	4374520	1762630	19656020	7407450	0	353200	19121370	70216670	**14767420**
		Parish Precepts																					
		Abbots Langley	0	0	0	0	0	0	0	0	0	0	0	0	0	0	341756	0	0	0	0	341756	**341756**
		Chorleywood	0	0	0	0	0	0	0	0	0	0	0	0	0	0	216000	0	0	0	0	216000	**216000**
		Croxley Green	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194946	0	0	0	0	194946	**194946**
		Sarratt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47000	0	0	0	0	47000	**47000**
		Watford Rural	0	0	0	0	0	0	0	0	0	0	0	0	0	0	66500	0	0	0	0	66500	**66500**
		Asset Management Account:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-303850	0	0	0	-303850	**-303850**
		Notional Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-12048010	0	0	0	-12048010	**-12048010**
		Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11036470	0	0	0	11036470	**11036470**
		Interest Paid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300000	0	0	300000	**300000**
		Interest Received	0	0	0	0	0	875000	0	0	875000	0	0	0	0	0	0	0	0	0	0	0	**-875000**
		Net District Operating Exp	11249510	5025640	292180	4106260	13828020	1899580	0	19923060	56324250	12809580	3589290	1142610	4374520	1762630	20522222	6092060	300000	353200	19121370	70067482	**13743232**
		Housing Revenue Account Deficit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**-90290**
		HRA Negative Subsidy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Contributions from/to Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Reserve for Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Direct Services Organisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Special Building Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Leavesden Hospital Open Space	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Renewals and Repairs	0	0	0	0	0	0	165100	0	165100	0	0	0	0	0	165100	0	0	0	0	165100	**0**
		Section 106 Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Economic cost of pensions	0	0	0	0	0	0	0	0	0	-254350	0	0	0	0	0	0	0	0	0	-254350	**-254350**
		Contributions to Provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Credit Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Appropriation Account:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Minimum Revenue Provision	0	119820	0	0	0	0	0	0	119820	0	0	0	0	0	0	0	0	0	0	0	**-119820**
		Deferred Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-635060	0	0	0	-635060	**-635060**
		Government Grants	-150000	0	0	0	0	0	0	0	-150000	0	0	0	0	0	0	0	0	0	0	0	**150000**
		Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1492080	0	0	0	-1492080	**-1492080**
		Capital Exp charged to Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Contrib from Third Parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Contrib from Revenue Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Council's General Fund Total - Amount to be met from Tax & Grant	11099510	5145460	292180	4106260	13828020	1899580	165100	19923060	56459170	12555230	3589290	1142610	4374520	1762630	20687322	3964920	300000	353200	19121370	67851092	**11301632**
		Other Accounts																					
		Capital Accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	582630	582630	**582630**
		Right to Buy Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	219060	219060	**219060**
		Debt Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Sale of Council Houses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Best Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
		Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	801690	801690	**801690**
		GRAND TOTAL	11099510	5145460	292180	4106260	13828020	1899580	165100	19923060	56459170	12555230	3589290	1142610	4374520	1762630	20687322	3964920	300000	353200	19923060	68652782	**12103322**

CHAPTER 3

CAPITAL INVESTMENT PROGRAMME & CAPITAL FUNDING

Regulatory Framework

Introduction

Capital expenditure is spending which produces an asset that will benefit the community for a long time, e.g. the acquisition and enhancement of buildings, plant and machinery and grants towards capital expenditure.

Capital expenditure can be funded by:-

- Capital Receipts (the proceeds from selling assets)
- Borrowing (serviced by repayments of principal and interest from revenue)
- Contributions from Private Developers
- Capital Grants (e.g. disabled facility grants)
- Revenue Contributions
- Through a Public Private Partnership or the Private Finance Initiative
- Lottery Funding
- From Stock Transfer
- The Major Repairs Allowance (for housing expenditure)
- From additional resources made available to Arms Length Management Companies (for housing expenditure)

Capital Receipts

The Council has been debt free for three years. Its major source of capital funding has been from capital receipts derived from the sale of council houses under the Right to Buy legislation. The decision was made to repay debt in order to maximise the benefit to the authority of the capital receipts generated from Right to Buy sales. On becoming debt free, 100% of these receipts could formerly be used for capital investment.

The Local Government Act 2003 abolished the concepts of usable and reserved capital receipts and changed how debt free Councils, such as Three Rivers, could use Capital Receipts from the sale of housing assets. In essence the Council now has to transfer a proportion of the receipts to a national pot for the provision and repair of affordable housing in other districts.

Capital receipts from the sale of HRA assets are subject to pooling at a rate of 75% for dwellings and 50% for other land and buildings. Exemption from pooling of non-RTB disposals is allowed if the sale proceeds are invested in affordable housing. Affordable housing includes investment in existing stock to meet the decent homes standard. Accumulative non-RTB housing receipts of £4.309m can be used in this way. This is the amount agreed by the Council on 4 February 2004 as the capital allowance for the purposes of off-setting capital expenditure on housing schemes against pooled receipts.

There are transitional arrangements for RTB receipts.

Borrowing – The Prudential Code

The argument for borrowing to fund capital expenditure is that such investment is designed to benefit the community over a number of years and therefore the expenditure should be met from the taxation paid by the beneficiaries. Any arrangement to fund capital expenditure by credit has to be repaid

ultimately from the revenue sources of income. It is prudent to make annual provision to repay debt so that if 100% of a debt becomes due in twenty years time the taxpayers or rentpayers do not have to meet the whole amount in one year. The argument against borrowing is that it is building up debts to be met by generations who have not agreed to the spending decision.

The Local Government Act 2003 abolished the system of credit approvals and gives councils the ability to borrow for any purpose relevant to their functions and for the purposes of the prudent management of its financial affairs. Councils are only be able to borrow however within a new prudential framework.

Each year a council decides the amount it can afford to borrow and keeps this under review. The Council is required to have regard to the CIPFA Prudential Code for Capital Finance.

The Code is designed to ensure that all external borrowing is within prudent and sustainable levels, that capital expenditure plans are affordable, that treasury management decisions are taken in accordance with good practice and that council's are accountable by providing a clear and transparent framework. Councils have to take into account all sources of future income and the potential calls on the use of that income.

Contributions from Private Developers

A council may be able to negotiate benefits when a private developer is seeking planning permission (known as Section 106 agreements or planning gain).

Capital Grants

Grants for specific purposes may be available from the Government. Some grants may depend on an element of funding from a council's own resources, e.g. disabled facility grants.

Revenue Contributions to Capital Expenditure / Outlay (RCCO).

Capital Expenditure may be met directly from Council Tax or Rent Income.

Public Private Partnerships (PPP) and Private Finance Initiative (PFI)

The Government still encourages these as options.

Lottery Funding

Some funding may be available through the national lottery.

Stock Transfer

The Government still intends to pursue this as an option as achieving its aims for affordable housing and the decent homes standard.

Major Repairs Allowance

A sum is included in the amount of housing subsidy paid to Councils for on-going major repairs to council houses.

Local Authorities and Companies

The Government has encouraged councils to create Arms Length Management Organisations that are charitable or non-profit making companies100% controlled by the council to undertake landlord functions

The Council's Capital Investment Programme

Three Year Medium Term Plan

The Council agreed its capital investment programme in February 2004 amidst continuing uncertainty as to the funding that was likely to be available to it, and taking into account its view as to a prudent balance of funds to carry forward.

The three year medium term capital plan is set out below:-

Medium Term Financial Plan – Capital Investment Programme	2004/2005	2005/2006	2006/2007
	£	£	£
Funding Brought Forward			
HRA Schemes	0	1,951,160	1,918,450
General Fund Schemes	5,140	752,480	752,480
HRA or General Fund Schemes	6,447,630	4,669,820	3,466,300
Funding Generated in the Year			
HRA – Major Repairs Allowance	2,687,380	2,699,440	2,710,430
HRA – Revenue Contributions	500,000	500,000	500,000
HRA – Leaseholder Contributions	120,000	0	0
HRA – Capital Receipts Transitional Pooling	2,801,780	1,267,850	633,930
General Fund – Disabled Facility Grants	150,000	150,000	150,000
General Fund – Revenue Contributions	750,000	0	0
General Fund – DEFRA Grant	587,750	249,800	0
HRA or General Fund – Capital Receipts	1,245,240	845,240	845.240
Total Funding Available	15,294,920	13,085,790	10,976,830
Proposed Programme			
Housing Stock – Capital Works	4,158,000	4,500,000	4,500,000
General Fund Schemes	3,763,460	2,448,560	1,495,260
	7,921,460	6,948,560	5,995,260
Funding Carried Forward	7,373,460	6,137,230	5,995,260

The Council plans to spend £7.921m on capital schemes in respect of 2004/2005 (see Appendix 1).

Of this £4.158m relates to repairs to its housing stock. The Council is planning to invest £0.673m on recycling and waste minimisation, to further invest £0.467m in information and communication technologies and spend £1.452m on leisure schemes.

The Council's Need for Capital Investment

The Decent Homes Standard

By far the largest element of the Council's capital investment is in its stock of council houses.

The Council's HRA Business Plan looks over the longer term and sets out the resources it needs to meet the government's Decent Homes Standard targets in 2004, 2006 and 2010 and the financial viability of its stock over 30 years.

The Council commenced a five year rolling programme of surveys of its stock during 2001/02. Extrapolation of data suggests that the Council will need to spend £197.138m over the next 30 years, and £46.520m before 2010 to meet the Government's Decent Homes Standard target.

Housing Stock - Option Appraisal

This Government published *Sustainable Communities: Building for the Future* in February 2003 following concern that nationally the decent homes standard would not be achieved by 2010. The Council needs to be able to demonstrate, in its HRA Business Plan that it can meet the 2010 DHS target or that it has proposals for accessing extra funds or for disposing of its stock. The Government's *Sustainable Communities* statement also introduced a requirement that every authority, which retains its stock, must complete an independent option appraisal for 'sign off' by the Government Office by July 2005.

The options are:-

- Retain the stock using borrowing, capital receipts and the Major Repairs Allowance

- Establish an ALMO

  To access additional funding through an ALMO the Council needs to have a two stars Best Value rating for its landlord services and an externally commissioned stock options appraisal needs to be undertaken, completed and approved by GO-East before the closing date of the bid. At present the Council is only part way there with a two star rating on the Repairs and Maintenance service. No date has been set for the Best Value inspection of Homes Management and Sales, which makes up the balance of the services on which a two star rating is required. The Council cannot be ready in time to make a round four bid in September 2003 although there is positive speculation that a fifth round will be announced in due course. Given the greater needs elsewhere across the country, the likely success of a Three Rivers' bid must be questionable.

- PFI

  To date the Council's needs have not been considered to be of a sufficient size to make a PFI an attractive proposition to investors

- Stock transfer

  If the Council fails to secure additional funding from any of the sources above, the only remaining option will be for it to transfer all or some its stock to one or more Registered Social Landlords (RSL). The size of the stock (and therefore the economies of scale) is considered too small to justify the setting up of a TRDC sponsored RSL. Tenants must be balloted before such a transfer can take place. The Government has not published any information on what happens if a LSVT is the option of last resort and the majority of tenants reject the proposal. The Council's tenants rejected by ballot a voluntary transfer of the housing stock to a housing association in 1989.

- A mixture of the above.

Other Priorities

The Council also has priorities to fund other Capital Investment Schemes. For example:

- Mandatory Disabled Facility Grants where only 60% is funded by Government but the other 40% must be found from the Council's own resources.

- Discretionary Private Sector Renewal Support Grants and Homes Repairs Assistance Grants, 100% of which have to be funded from the Council's own resources and support the Government's agenda to deal with private dwellings too.

- The need for investment in outdoor leisure facilities identified by the Council's 'Outdoor' Best Value Review.

- Investment in recycling equipment to meet the Government requirement to recycle higher percentages of waste.

- ICT development where the Council is a forward looking pathfinder authority but needs to invest capital.

- Works to meet the requirements of the Disability Discrimination Act

Capital Strategy and Asset Management Plan

More details of the Council's approach to capital investment can be found in its 'Capital Strategy and Asset Management Plan' available on the Council's website or in hard copy by request.

		District Theme	CAPITAL			REVENUE			Service Plan	National Priority	Local Priority	Statutory	Contractual	Prov Community Support	Prov New Facilities	Protec/Maint of Assets
			2004/05	2005/06	2006/07	2004/05	2005/06	2006/07								
	Resources Policy Panel		£	£	£	£	£	£								
1	Members IT - Provision of Grant	CG	17,760	17,760	17,760	0	0	0	DSTAP		Y	N	N	N	N	N
2	Election Equipment	CG	5,000	0	0	0	0	0	DSTAP			Y	N	N	N	N
3	TRH Toilet Refurbishment	CG	50,000	55,000	0	0	0	0	BUR			N	N	N	N	Y
4	TRH Undergrounfd Car Park	CG	0	29,500	1,000	1,500	1,500	1,800	BUR			N	N	N	Y	Y
5	TRH Computer Room Air Conditioning	CG	40,000	38,500	2,500	0	0	0	BUR			N	N	N	N	Y
6	TRH Air Handling Units	CG	18,000	0	0	1,100	800	900	BUR			N	N	N	Y	Y
7	Batchworth Comfort Cooling	CG	4,500	0	0	250	300	300	BUR			N	N	N	Y	Y
8	DDA Corporate Buildings	CG	72,340	0	0	0	0	0	BUR			Y	N	Y	Y	Y
9	Revenues and Benefits - System Upgrade	CG	46,000	0	0	0	0	0	DSS			N	N	Y	Y	N
10	Local Area Forums - Grants	CG	5,500	5,500	5,500	0	0	0	DSTAP			N	N	Y	Y	N
11	TRH + BH Building & Environmental	CG	22,000	25,000	28,000	0	0	0	BUR			N	N	N	N	Y
12	TRH + BH Access Control System	CG	32,000	0	0	0	0	0	BUR			N	N	N	N	Y
13	TRH Decorations	CG	7,500	10,000	5,000	0	0	0	BUR			N	N	N	N	Y
14	Batchworth Intruder Alarm	CG	2,800	0	0	320	320	320	BUR			N	N	N	Y	Y
15	Batchworth CCTV	CG	2,000	0	0	330	330	330	BUR			N	N	N	N	Y
16	TRH Intruder & Fire Alarm	CG	9,000	2,500	0	330	330	330	BUR			N	N	N	N	Y
17	TRH Lighting Upgrade	CG	10,000	24,000	12,000	550	750	1,000	BUR			Y	N	N	N	Y
18	TRH Dickinson and O'Connor Partition	CG	7,000	0	0	0	0	0	BUR			N	N	N	N	Y
19	Basing House Lighting	CG	3,500	1,250	1,000	130	150	200	BUR			Y	N	N	N	Y
20	Basing House Decorations	CG	4,000	4,250	4,000	0	0	0	BUR			N	N	N	N	Y
21	Oxhey Office Decorations	CG	5,000	2,500	1,500	0	0	0	BUR			N	N	Y	N	Y
22	CAB Comfort Conditioners	PR	5,500	0	0	300	350	400	BUR			N	N	N	Y	Y
23	Oxhey Woods Mast Security Fencing	CG	8,500	1,500	1,500	0	0	0	BUR			Y	N	N	N	Y
24	Furtherfield Depot Weatherproofing	CG	5,000	1,500	1,500	0	0	0	BUR			N	N	N	Y	Y
25	Cemeteries Management System	CG	0	5,000	0	500	500	500	DSS		Y	N	N	N	Y	N
26	FM Contract Renewal	CG	80,000	0	0		0	0	DSS		Y	N	N	N	Y	Y
27	Customer Services Centre - System Upgrade	CG	27,750	0	0	2,400	2,400	2,400	DSS			Y	N	N	Y	N
28	Sports/Leisure Bookings - Internet Module	CG	16,760	0	0	250	2,010	2,010	DSS			N	N	Y	N	N
29	Housing Arrears - Streetwise	CG	24,350	0	0	6,830	6,830	6,830	DSS			N	N	N	Y	N
30	Software Licences	CG	114,650	114,650	114,650	0	0	0	DSS			N	Y	N	N	N
31	Replacement Hardware	CG	100,000	100,000	100,000	0	0	0	DSS			N	N	N	N	Y
32	TRH Renewal of Window Seals	CG	0	10,000	0	0	0	0	BUR			N	N	N	N	Y
33	TRH Penn Chamber Condensers	CG	0	40,000	5,000	0	0	0	BUR			N	N	N	N	Y
34	TRH Boilers	CG	0	48,000	0	0	0	0	BUR			N	N	N	N	Y
			746,410	**536,410**	**300,910**	**14,790**	**16,570**	**17,320**								
	Housing and Environment Policy Panel		£	£	£	£	£	£								
1	Withy Beds Boardwalk	SU	2,000	14,500	0	0	0	0	DPT			Y	Y	Y	N	Y
2	Withy Beds Scrub Control	SU	800	0	0	1,000	1,000	1,000	DPT			Y	N	N	N	Y
3	Prestwick Road Meadow Enhancement	SU	6,050	0	0	1,650	1,150	1,150	DPT			Y	Y	Y	N	Y
4	Common Moor Fencing and Gates	SU	4,800	2,000	2,000	5,100	5,100	5,100	DPT			Y	N	Y	N	Y
5	Disabled Facility Grant	HE	250,000	250,000	250,000	0	0	0	EH			Y	N	Y	N	N
6	Home Repairs Assistance	HE	20,000	20,000	20,000	0	0	0	EH			Y	N	Y	N	N
7	House Renovation Grant	HE	50,000	50,000	50,000	0	0	0	EH			Y	N	Y	N	N
8	Grants Officer Salary	HE	56,000	59,000	62,000	0	0	0	EH			Y	N	Y	N	N
9	Tree Management/Green Spaces	SU	5,000	5,000	5,000	0	0	0	DPT			N	N	Y	Y	Y
10	Princes Trust	PR	10,000	10,000	10,000	0	0	0	DPT			N	N	Y	N	Y
11	Training Schemes Mill End	PR	5,000	5,000	5,000	0	0	0	DPT			N	N	Y	N	Y
12	Colne Valley Projects	SU	5,000	5,000	5,000	0	0	0	DPT			N	N	Y	Y	N
13	Trees For Life	SU	3,000	3,000	3,000	0	0	0	DPT			N	N	Y	N	N
14	Town Trees	SU	1,000	1,000	1,000	0	0	0	DPT			N	N	Y	N	Y
15	Parking Bays	SA	125,000	125,000	125,000	0	0	0	DPT			N	N	N	Y	Y
16	Highways Improvements	SA	100,000	100,000	100,000	0	0	0	DPT			N	N	N	Y	Y
17	Chorleywood House Estate	HE	1,000	0	0	3,000	0	0	DPT			N	Y	N	Y	Y
18	Minor Parking Schemes	SA	10,000	10,000	10,000	0	0	0	DPT			N	Y	N	Y	N
19	Bus Shelters	SA	5,000	5,000	5,000	0	0	0	DPT			N	Y	N	Y	Y
20	Retail Parades	PR	10,000	10,000	10,000	tba	tba	tba	DPT			N	N	Y	Y	Y
21	Listed Building Grants	SU	5,000	5,000	5,000	0	0	0	DPT			N	N	N	N	Y
22	Chorleywood House Grounds	HE	37,700	37,700	20,000	0	0	0	DPT			N	N	N	N	Y
23	Cycle Schemes	SU	100,000	100,000	100,000	tba	tba	tba	DPT			N	N	N	Y	Y
24	Controlled Parking Zones	SA	50,000	50,000	50,000	5,000	5,000	5,000	DPT			N	Y	N	N	Y
25	The Chapel,Cemetery, Old Chwood Rd	HE	0	57,000	43,000	0	0	0	DPT			N	N	N	N	Y
			862,350	**924,200**	**881,000**	**15,750**	**12,250**	**12,250**								

		District Theme	CAPITAL			REVENUE			Service Plan	National Priority	Local Priority	Statutory	Contractual	Prov Community Support	Prov New Facilities	Protec/Maint of Assets
			2004/05	2005/06	2006/07	2004/05	2005/06	2006/07								
	Housing Revenue Account		£	£	£	£	£	£								
1	Rewiring Programme	HE	425,000	250,000	250,000	0	0	0	HRA		Y	Y	N	N	N	Y
2	Asbestos Removal	HE	125,000	125,000	125,000	0	0	0	HRA	Y	Y	Y	N	N	N	Y
3	Balcony Railings replacement	HE	20,000	20,000	20,000	0	0	0	HRA	Y	Y	Y	N	N	N	Y
4	Health & Safety / Fire Prevention	HE	200,000	200,000	200,000	0	0	0	HRA	Y	Y	Y	N	N	N	Y
5	DDA Sheltered Schemes	HE	127,000	0	0	0	0	0	HRA			Y	N	Y	Y	Y
6	Works For The Disabled	HE	400,000	400,000	400,000	0	0	0	HRA	Y	Y	N	N	Y	Y	N
7	Double Glazing Replacement Programme	HE	275,000	275,000	275,000	0	0	0	HRA		Y	N	N	N	N	Y
8	Structural Repairs	HE	300,000	300,000	300,000	0	0	0	HRA		Y	N	N	N	N	Y
9	Boiler - Replacements	HE	250,000	250,000	250,000	0	0	0	HRA		Y	N	N	N	N	Y
10	Roof Replacement Programme - Various	HE	150,000	250,000	250,000	0	0	0	HRA		Y	N	N	N	N	Y
11	Gade View Gardens - Roof	HE	0	250,000	0	0	0	0	HRA		Y	N	N	N	N	Y
12	1st Time Double Glazing	HE	400,000	400,000	400,000	0	0	0	HRA		Y	N	N	N	Y	Y
13	Central Heating - New Installations	HE	250,000	200,000	200,000	0	0	0	HRA		Y	N	N	N	Y	Y
14	Internal Refurbishment Programme	HE	300,000	300,000	300,000	0	0	0	HRA		Y	N	N	N	N	Y
15	Energy Conservation & Heating Programme	SU	150,000	150,000	150,000	0	0	0	HRA		Y	N	N	N	Y	Y
16	Refurbishment Works – Highlands Maisonettes/Flats	HE	0	250,000	0	0	0	0	HRA		Y	N	N	N	Y	Y
17	Renewal of main entrance doors	HE	48,000	81,000	56,000	0	0	0	HRA		Y	N	N	N	N	Y
18	Internal refurbishment	HE	0	800,000	400,000	0	0	0	HRA		Y	N	N	N	Y	Y
19	Rainwater Goods	HE	17,000	35,000	33,000	0	0	0	HRA		Y	N	N	N	N	Y
20	Energy Conservation - Walls/Roofs	SU	0	1,488,000	744,000	0	0	0	HRA		Y	N	N	N	Y	Y
21	System Built Dwellings	HE	0	310,000	155,000	0	0	0	HRA		Y	N	N	N	N	Y
22	External Brickwork	HE	100,000	100,000	100,000	0	0	0	HRA			N	N	N	N	Y
23	Footpaths Drives & Roads	HE	150,000	350,000	250,000	0	0	0	HRA			N	N	N	N	Y
24	Garage Programme	HE	30,000	30,000	10,000	0	0	0	HRA			N	N	N	N	Y
25	Jacketts Field Parking Area	SA	28,000	0	0	0	0	0	HRA			N	N	N	N	Y
26	Service Rd, Paved & Parking Area - Baldwins Lane Shops	SA	0	250,000	0	0	0	0	HRA			N	N	N	N	Y
27	Entry-Phone Installations	HE	50,000	50,000	50,000	0	0	0	HRA			N	N	Y	Y	Y
28	Piper & Entry-Phones Replacement	HE	25,000	25,000	25,000	0	0	0	HRA			N	N	Y	N	Y
29	Communal Areas - Upgrade	HE	100,000	200,000	150,000	0	0	0	HRA			N	N	N	N	Y
30	Entryphones for OPDs	HE	30,000	30,000	30,000	0	0	0	HRA			N	N	Y	Y	N
31	Secure Locks For Vulnerable Tenants	SA	0	120,000	60,000	0	0	0	HRA			N	N	Y	Y	N
32	Repointing of External Walls	HE	152,000	423,000	41,000	0	0	0	HRA			N	N	N	N	Y
33	Repairs to Chimneys	HE	41,000	84,000	17,000	0	0	0	HRA			N	N	N	N	Y
34	Stores and Outbuildings	HE	0	923,000	38,000	0	0	0	HRA			N	N	N	N	Y
35	Alterations to Layouts	HE	0	992,000	496,000	0	0	0	HRA			N	N	N	Y	N
36	Feasibility Studies	HE	15,000	15,000	15,000	0	0	0	HRA			N	N	N	N	N
37	Renewal/ Separation of water mains	HE	0	350,000	750	0	0	0	HRA			N	N	N	Y	Y
38	Grove Court – Conversion Of Wardens Flat	HE	0	50,000	0	0	0	0	HRA			N	N	N	Y	N
39	Communal TV Aerials – Upgrade for digital TV	HE	0	350,000	20,000	0	0	0	HRA			N	N	N	Y	N
40	Replacement of Gen Plumbing goods	HE	0	117,000	24,000	0	0	0	HRA			N	N	N	N	Y
			4,158,000	**10,793,000**	**5,834,750**	**0**	**0**	**0**								

		District Theme	CAPITAL			REVENUE			Service Plan	National Priority	Local Priority	Statutory	Contractual	Prov Community Support	Prov New Facilities	Protec/Maint of Assets
			2004/05	2005/06	2006/07	2004/05	2005/06	2006/07								
	Public Services and Health		£	£	£	£	£	£								
1	Green Waste Vehicles and Bins	HE	587,500	249,800	0	0	0	0	ES		Y	Y	N	N	N	Y
2	Bulk Domestic Bins	HE	4,800	4,800	4,800	0	0	0	ES			Y	Y	N	Y	N
3	Litter Bins	HE	4,000	4,000	4,000	0	0	0	ES		Y	Y	Y	N	N	N
4	DSO Plant	CG	10,000	15,000	15,000	0	0	0	WS		Y	N	Y	N	N	N
5	Recycling Transfer & Vehicles	HE	67,000	0	0	0	0	0	ES		Y	Y	N	N	Y	Y
6	Wheeled Bins - Domestic Refuse	HE	4,350	4,350	4,350	0	0	0	ES		Y	N	Y	N	N	N
7	Dog Bins	HE	6,000	6,000	6,000	3,650	3,650	3,650	ES		Y	Y	N	N	Y	N
8	Recycling Bins	HE	4,200	4,200	4,200	0	0	0	ES		Y	Y	Y	N	N	N
9	Paladin Bins	HE	4,800	4,800	0	0	0	0	ES			N	Y	N	N	N
10	DSO Vehicles	CG	10,000	15,000	15,000	0	0	0	WS			N	Y	N	N	Y
			702,650	**307,950**	**53,350**	**3,650**	**3,650**	**3,650**								
	Leisure and Community Development		£	£	£	£	£	£								
1	Watersmeet Trust	PR	130,000	100,000	80,000	0	0	0	LE		Y	N	Y	Y	N	Y
2	SJA Health and Safety - Electrical	HE	9,800	0	0	0	0	0	LE			Y	N	N	N	Y
3	SJA Health and Safety - Water/Soak	HE	35,700	0	0	tba	tba	tba	LE			Y	N	N	N	Y
4	DDA Open Spaces	HE	27,350	0	0	0	0		LE			Y	N	Y	Y	Y
5	DDA Cemeteries	HE	21,470	0	0	0	0	0	LE			Y	N	Y	Y	Y
6	DDA Fairway Inn	HE	82,490	0	0	0	0		LE			Y	N	Y	Y	Y
7	DDA William Penn	HE	28,820	0	0	0	0		LE			Y	N	Y	Y	Y
8	DDA Sir James Altham	HE	13,560	0	0	0	0		LE			Y	N	Y	Y	Y
9	DDA Replacement Pavilions	HE	692,860	0	0	0	0		LE			Y	N	Y	Y	Y
10	Leisure Special Maintenance	HE	89,000	100,000	100,000	0	0	0	LE			Y	N	N	N	Y
11	William Penn LC Feasibility	HE	50,000	400,000	0	0	tba	0	LE			N	N	N	Y	Y
12	Aquadrome	HE	20,000	20,000	20,000	0	0	0	DPT			N	N	N	N	Y
13	Golf Course Lockers & Toilets	HE	30,000	0	0	0	0	0	LE			N	N	N	N	Y
14	King George V Play Area	HE	55,000	0	0	800	800	800	LE			N	N	Y	Y	N
15	Manor House Grounds Play Area	HE	17,000	0	0	0	0	0	LE			N	N	Y	N	Y
16	Informal Skateboarding Facilities	HE	40,000	0	0	1,000	0	0	LE			N	N	Y	Y	N
17	Leisure Capital Grants	HE	60,000	60,000	60,000	0	0	0	LE			N	N	Y	Y	Y
18	Tree Surgeons Landrover	SU	4000	0	0	0	0	0	DPT			N	N	N	N	U
	Youth Shelters		20000	0	0	0	0	0								
	Mini Skate Parks		25000	0	0	0	0	0								
			1,452,050	**680,000**	**260,000**	**1,800**	**800**	**800**								

District Themes

HE = Healthy
PR = Prosperous
SA = Safe
SU = Sustainable
CG = Corporate Governance

Service Plans

DSTAP = Democratic Services Team Action Plan
DPT = Development Plans and Transport
HRA = Housing Revenue Account
EH = Environmental Health
LE = Leisure and Environment
EH = Environmental Services
WS = Waste Services
DSS = Director of Strategic Services
BUR = Better Use of Resources

CHAPTER 4

THE BALANCE SHEET

Background

In the private sector the balance sheet is used by the managers of a business, its shareholders and prospective investors to assess the liquidity and hence stability of a company and, by reference to the Profit and Loss Account, the potential returns to its owners - the shareholders.

In Local Government the Balance Sheet is not regarded as so important. There are not dividends to be paid to shareholders. The emphasis tends to be on the Consolidated Revenue Account (or profit and loss account in private sector terminology). This is because the primary stakeholders are the members of the community contributing taxes to pay for local services and these transactions are accounted for in the revenue accounts.

A summary of the Council's balance sheet is shown below:

Balance Sheet as at 31 March 2003	£m
Fixed Assets	275.3
Long-Term Debtors	1.0
Total Long-Term Assets	276.3
Current Assets	
Debtors	3.0
Investments	19.1
Cash and Bank	0.2
Current Liabilities	
Pensions Liability	-15.4
Creditors	-4.8
Total Assets less Liabilities	278.4

	£m
Financed by:	
Fixed Asset Restatement Reserve	214.0
Capital Financing Reserve	59.2
Grants & Contributions Deferred	3.7
Pensions Reserve	-15.4
Usable Capital Receipts	8.3
Earmarked Reserves	3.1
General Reserves	5.5
Total Equity	278.4

Revenue Balances and Earmarked Reserves

The most significant items on the balance sheet are the Council's usable capital receipts, revenue balances and earmarked reserves.

The specific use to which some balances may be applied is restricted by statute. The Council has an existing policy for the use of each of its balances that is consistent with the legal requirements.

The table below describes for each balance:-

a) the amount estimated to be held at 31 March 2004.

b) its legal status; and,

c) the use to which it is put under current Council policy.

The Council may redesignate its reserves or reallocate money between those having the same legal status.

For the purpose of setting budgets a distinction can be drawn between:-

a) revenue balances;

b) balances earmarked for specific capital schemes;

c) balances available exclusively for General Fund capital schemes; and,

d) balances available for either General Fund or Housing Revenue Account capital schemes.

These are considered in turn below.

Revenue Balances

General Fund Revenue Balance and Housing Revenue Account Balance

These balances are the Council's 'working balances' and are retained at a prudent minimum to assist cash flow management, avoid the need to borrow in the short term, and cover unforeseen expenditure. Excess amounts can be used to support expenditure, but cannot be relied on indefinitely to support *on-going* expenditure.

General Fund Revenue Balance

In recent years the Council has retained approximately 10% of net revenue expenditure plus an amount for contingencies in the General Fund as a prudent minimum. It is planned to use the excess over this amount in a combination of support to revenue and capital expenditure in the medium term.

Contingencies exist in case:-

- pay awards or inflation are greater than anticipated in the budget,
- the Council losses its partial exemption on VAT,

- economic circumstances adversely affect the budget (e.g. interest rates or disposable incomes),
- emergencies occur.

Housing Revenue Account Balance

It is estimated that the balance at 31 March 2004 will be £946,849 representing £242 per property.

Balances Earmarked for Specific Capital Schemes

Disability Discrimination Act Contribution

£2,660 will exist in this reserve at 31 March 2004.

Leavesden Stadium

An amount of £2,480 will exist at 31 March 2004 as a result of a Section 106 agreement.

Balances Available For Either General Fund or Housing Revenue Account Capital Schemes.

Usable Capital Receipts

At 31 March 2004 it is estimated that the Council will hold £6,447,630 in capital receipts available to fund either General Fund or Housing Revenue Account capital expenditure. Receipts received after that date will have to be treated in accordance with new Government regulations (see Chapter 3).

Capital Financing Reserve

The Council is able to use those formerly ‘set-aside’ capital receipts that it is holding at 31 March 2004 in its capital financing reserve, estimated to total £1,981,312.

The Capital Financing Reserve earns interest that supports the General Fund revenue account. It has been used to support capital expenditure when revenue costs are greater than any resultant loss of interest.

APPENDIX 1

	Balance 31.3.2004 £	Legal Status	Use under Current Council policy
Revenue Balances			
General Fund	3,806,145	Use for General Fund Revenue or Capital	Working Balance, General Fund Revenue or Capital
Housing Revenue Account	946,849	Use for Housing Revenue or Capital	Working Balance, Housing Revenue or Capital
Earmarked for Capital Schemes			
DDA Contribution	2,660	Use for General Fund Revenue or Capital	Earmarked-Specifically for DDA works
Leavesden Stadium	2,480	Use for General Fund Revenue or Capital	Earmarked-Specifically for Leavesden Stadium
General Fund or HRA Capital Schemes			
Usable Capital Receipts	6,447,630	Use for Capital (General Fund or Housing)	General Fund Capital and Housing Capital
Capital Financing Reserve	1,981,312	Use for Capital (General Fund or Housing)	Interest used to support revenue expenditure

CHAPTER 5

CASH FLOW & TREASURY MANAGEMENT

Background

The administration of the Council's Debt and Investments is consolidated into a central function, termed ‘Treasury Management’, to ensure the most efficient use of funds. Revenue Accounts are charged for the management of these funds. The charge is called a 'Debt Management Expense'.

An integral part of the Treasury Management function is the monitoring of Cash Flow to ensure that sufficient funds are available to meet expenditure and surplus funds are invested to achieve the maximum return for the Council with the minimum risk to its capital.

Local Authority Treasury Management is governed by a Code of Practice issued by The Chartered Institute of Public Finance and Accountancy (CIPFA), which sets out guidelines for the daily activities and the reporting structure.

Under the Code of Practice, the Council must formulate:-

a) a general 'Treasury Policy Statement' ; and,

b) a 'Treasury Management Strategy' for each financial year.

Treasury Policy Statement

The Treasury Policy Statement outlines the matters to be taken into consideration in formulating the annual Treasury Management Strategy. The Council receives a report annually on performance and compliance with the Policy Statement.

Treasury Management Strategy

The Council each year considers and adopts a strategy for Treasury Management. In determining its strategy a number of factors are taken into account including forecasts of the economic position, e.g. inflation and interest rates, and advice is also taken from specialist consultants. The strategy will determine the level of debt maintained and the proportion of fixed to variable debt held. The Council is now debt free.

Cash Flow Forecast

The forecast of cash flow for the year is prepared as part of the estimate process and forms an important element in assessing the receipt and payment of interest.

Treasury Management Policy Statement

The Council defines the policies and objectives of its treasury management activities as follows:-

1. The Council defines its treasury management activities as:
"The management of the authority's 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".

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.

3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

Treasury Management Practices

The Council will prepare the following treasury management practices to which schedules will be attached to specify the systems and routines to be employed and the records to be maintained.

TMP 1 Treasury risk management

TMP 2 Best value and performance measurement

TMP 3 Decision–making and analysis

TMP 4 Approved instruments, methods and techniques

TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

TMP 6 Reporting requirements and management information arrangements

TMP 7 Budgeting, accounting and audit arrangements

TMP 8 Cash and cash flow management

TMP 9 Money laundering

TMP 10 Staff training and qualifications

TMP 11 Use of external service providers

TMP 12 Corporate governance

TREASURY STRATEGY STATEMENT 2004/2005

1. INTRODUCTION

This Treasury Strategy Statement details the expected activities of the Treasury function in the forthcoming financial year (2004/05). Its production and submission to the Executive Committee is a requirement of the Council's approved Treasury Management Policy Statement. Its format and structure is as required by the approved Policy.

The objectives of the Strategy are:

(i) To clarify the current position regarding borrowing and investment.

(ii) To estimate the necessary activity required in the capital and money markets in the 2004/2005 financial year and to devise an appropriate strategy consistent with the other objectives.

(iii) To achieve maximum security and liquidity of principal on any money invested externally, consistent with achieving a reasonable market return on those investments.

The Strategy for 2004/05 is based on leading market forecasts for interest rates. It covers:

- the current portfolio position
- prospects for interest rates
- the borrowing strategy
- the investments strategy
- any extraordinary treasury issues.

The Strategy must be flexible to cater for fluctuations in:

- short and long term interest rates and future expectations of their movements
- current cash positions
- medium and long term cash flow forecasts
- legislation.

2. CURRENT PORTFOLIO POSITION

As at 31 December 2003 the Council had investments totalling £25 million earning an average rate of interest of 3.84%.

3. PROSPECTS FOR INTEREST RATES

The Council appointed Sector Treasury Services Limited as treasury advisers and part of their service is to assist in the formulation of a view on interest rates. The tables below show a variety of forecasts published by a number of institutions for short term and longer fixed interest rates

UBS

(%)	Q4 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006
Base Rate	3.75%	4.00%	4.00%	4.25%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
10yr PWLB	5.15%	5.15%	5.15%	5.25%	5.25%	5.40%	5.40%	5.40%	5.40%	5.40%
25yr PWLB	5.20%	5.25%	5.35%	5.45%	5.45%	5.65%	5.65%	5.65%	5.65%	5.65%

(*Source – UBS Warburg Economic interest rate forecast (for quarter ends) - December 2003)*

HM Treasury

(%)	2003	2004	2005	2006	2007
	Year end	Year end	Average	Average	Average
Average	3.67%	4.27%	4.78%	5.05%	4.93%
Highest	3.90%	5.00%	5.72%	5.60%	5.60%
Lowest	3.48%	3.14%	4.00%	3.81%	3.84%

(Source HM Treasury - summary of 35 independent forecasters views of ***base rate*** *– as at November 2003)*
(2004 – 2007 are as at Aug 2003 but are based on 11 forecasts)

Consensus Forecasts

(%)		Nov– 03	Feb - 04	Nov – 04
3 month interbank –	aver	3.88%	3.70%	4.10%
	High	3.88%	4.00%	4.70%
	Low	3.88%	3.50%	3.30%
10yr PWLB Rate –	aver	5.20%	4.85%	4.95%
	High	5.20%	5.15%	5.55%
	Low	5.20%	4.45%	4.25%

(Source Concenus forecast - summary view of 25 city houses on the likely change in short term and 10 year fixed interest rates (November 2003)

Sector advise as follows:

There is also upside risk that base rate might rise more quickly in 2004 if world economic recovery is stronger and faster than forecast. In addition, there is a risk that PWLB rates between 10 and 25 years could fall by up to 0.50% below the above forecasts for limited periods if there were exceptional selling pressure on equities.

Shorter-term rates – Base rate was cut by 0.25% in July 2003, to a new 48-year low of 3.5% due to hesitant recovery after the Iraq war and a climbing pound. With hindsight, this now appears to have been an over cautious move by the Monetary Policy Committee (MPC) as this cut was reversed in November. However, the Chancellor has committed himself to announce a switch of inflation target for the MPC in the Pre Budget Report in December 2003 from plus or minus 1% around 2.5% on RPIX to probably 2% on HICP (harmonised index of consumer prices). HICP has been running at 1.1 – 1.6% throughout 2003 and is forecast to average 1.4% in 2003 and 1.7% in 2004 i.e. below the likely target. In addition, wage inflation and producer price inflation are running at benign levels and oil prices are likely to come down from current high levels. There is therefore likely to be little inflationary pressure to raise base rate. In addition, the upside potential for base rate is limited by the heightened sensitivity of consumers to interest rate rises due to the huge increase in personal borrowing in recent years e.g. an increase in base rate from 3.5% to 4.5% is an increase of 29% in likely borrowing rates. In view of the likely fragility of consumer demand in 2004 in the UK, and due to the likelihood of growth in the US falling back in 2004 to only a modest rate and weak growth expected in the Eurozone in 2004, it is expected that base rate will only rise to 4.25% by the end of 2004 after being at 4.0% for most of the year.

Longer-term interest rates – PWLB rates were at low levels during the first half of 2003 due to investor fears over the Iraq war, which depressed share values and gilt yields. Equity values have increased by about 25-30% from the low point to which they plummeted before the Iraq war, on expectations that the surge in economic recovery in the second half of 2003 will last well into 2004 and beyond and so boost corporate earnings. Gilt prices have consequently fallen, causing increases in gilt yields and long-term PWLB rates which incurred a sharp unexpected increase in October 2003 on a surge in optimism on US economic recovery; this pushed the PWLB 25 year lower quota rate up to 5.0% - 5.15% and it is forecast that this rate will stabilise around 5.0% for most of 2004/05. A rise in long-term PWLB rates to more normal levels with the 20-25 year lower quota rate returning consistently to the band of 5.00% – 5.40% looks unlikely in 2004/05.

4. CAPITAL BORROWINGS AND THE BORROWING PORTFOLIO STRATEGY

Under the 'Prudential Code' the Council is required to set prudential indicators to monitor performance (these are tabled at paragraph 2.5 in the body of the main report).

Members will be aware that the Council became debt-free during the financial year 2000/2001 and therefore has no fixed term borrowing. It is anticipated that there will be no capital borrowings required during 2004/05. On the basis that the Authority remains debt-free throughout 2004/2005 then the long-term borrowing limit should be set at nil. Short-term borrowing (less than one year) is permitted for a debt-free authority and the limit should be set at the existing limit of £3 million. In the past, and when the Council held debt, the Committee were recommended that, in order to maintain flexibility in the Council borrowing policy, the amount of borrowing subject to variable rates of interest should be limited to 50% of total debt. Any temporary borrowing that the Council makes is likely to be at a variable rate of interest and therefore while the Council is debt-free it is recommended that up to 100% of temporary borrowing could be at variable rates of interest.

The table below summarises the Council's borrowing strategy.

Borrowing Requirement 2004/05

	2004/05	2005/06	2006/07
	£	£	£
New Borrowing	Nil	Nil	Nil
Alternative financing arrangements	Nil	Nil	Nil
Replacement borrowing	Nil	Nil	Nil
Total	Nil	Nil	Nil

It is recommended to Council that the following Treasury Limits be approved:

Overall borrowing limit	Nil
Short Term Borrowing Limit	£3 million
Maximum proportion of interest on Borrowing which is subject to variable rate interest.	50 %

5. INVESTMENTS STRATEGY AND CRITERIA

Investments will be made in accordance with Part I Local Government Act 2003 and with the institutions identified in the Council's investment list approved as part of the Treasury Management Policy Statement.

The money market yield curve is currently anticipating a rising base rate for the next year. Investment returns may be less than the cost of new borrowing during most of the year; it

may therefore be beneficial to finance new capital expenditure by running down cash balances.

This authority maintains only temporary, short term investments and investments will accordingly be made with reference to the cash flow requirements. New long-term investments are not being envisaged (although this will be kept under constant review).

Local authorities are restricted as to the nature and sources of their investments. All new investments made by Three Rivers will comply with the Local Government Act 2003 (Part 1).

The Investments are placed to meet the following criteria:

- To be as risk free as possible.
- To enable sufficient cash to be available to meet all revenue and capital requirements.

Where cash is available and surplus to the above requirement, the period of investment is assessed by reference to Three Rivers credit criteria and the result of yield curve analysis which identifies the optimum period for interest maximisation.

Investment Criteria

All the Council's investments are made under the category of Specific investments. These offer greater security and higher liquidity. Listed below are the institutions that fall into this category.

Specific Investments

- UK Local Authorities
- UK Government
- Banks with Clearing Status in the UK
- UK Clearing Banks' wholly owned subsidiaries
- Merchant Banks
- Foreign Banks UK
- UK Building Societies
- UK Public Corporations

The following factors were taken into consideration in compiling the policy:

Maximum Amounts to be Invested

The better the credit rating, the higher the proportion of the Council's portfolio may be invested with any one institution. On average, approximately £20m will be invested at any one time but investments may fall to as low as £16m at certain times of the Financial year. The aim is to spread the risk, but this must be balanced with the tendency for marginally higher rates to be payable on larger investments. Therefore the maximum investments with any one institution in each category represent approximately 50%, 15% and 10% of the total portfolio, respectively.

Maximum Length of Investment

The majority of money invested derives from capital receipts. As a debt-free authority investments may be made for periods of more than one year. Investments for periods of six months or more are only made with institutions with the highest Credit Rating.

Credit Worthiness of the Institutions

Credit Ratings are an independent assessment of the credit quality of an organisation. Where available, Three Rivers utilises the credit ratings of the three leading agencies Fitch, Moody's and Poors. These are provided as part of the service by Sector Treasury Services Limited.

Where credit ratings are unavailable, reference is made to other factors that affect credit quality in particular the size and resources of the organisation.

A detailed analysis of the criteria and categorisation used is attached at Annex 1, with the actual institutions involved identified in Annex 2. The latter is produced to give members some concept of the high credit quality required by this authority in its investments.

These appendices will be amended during the year on the authority of the Chief Financial Officer to reflect alterations in institutions' credit ratings, which are monitored regularly, but criteria for inclusion in a particular category, or changes in limits, will only be amended following a recommendation from the Executive Committee.

6. EXTRAORDINARY TREASURY ISSUES

Large Scale Voluntary Transfer (LSVT)

The Council is carrying out a Housing Stock appraisal. Although no decision has been reached, although one option (a LSVT) would have a significant impact on the TM Strategy.

7. CASH FLOW FORECASTS

Attached at Annex 3 and 4 are cash flow forecasts for 2003/2004 and 2004/2005.The trend of income in 2004/2005 is expected to be similar to those of 2003/2004, whilst expenditure will vary from the 2003/04 trend to take into account the payment of ‘pooled ‘ receipts to the ODPM. Where no other information is available an estimate has been used based on 2003/2004 actuals.

ANNEX 1

INVESTMENT CRITERIA

Institution Type	**Max Amount: £7m** **Max Length: 364 Days**	**Max Amount: £7m** **Max Length: 6 Months**	**Max Amount: £2m** **Max Length: 3 Months**	**Max Amount: £1m** **Max Length: 1 Month**
Banks with Clearing Status in the UK	F1+ or P1 short term backed up by AAA or AA long term credit rating	F1 or P1 short term backed up by a single A long term rating	F1 or P1 short term backed up by lower than A long term rating	Non rated clearers
Wholly Owned Subsidiaries of UK Clearing Banks	None	None	None	None
Merchant Banks	F1 or P1 short term backed up by assets in excess of £15,000m	F1+ or P1 short term backed up by assets in excess of £5,000m	F1+ or P1 short term backed up by assets in excess of £2,500m	None
Foreign Banks	F1+ or P1 short term backed up by AAA long term credit rating	F1+ or P1 short term backed up by AA long term credit rating	None	None
UK Building Societies	Where rated: F1+ or P1 short term backed up by AAA or AA long term credit rating Where not rated: Assets over £15,000m	Where rated: F1+ or P1 short term backed up by an A long term credit rating Where not rated: Assets over £5,000m	Where rated: N/A Where not rated: Assets of £2,500m	Where rated: N/A Where not rated: Assets over £1,000m
UK Local Authorities	All	N/A	N/A	N/A
UK Public Corporations	None	None	All	N/A

Note 1: There may be some difference in the credit ratings between agencies. Where this has occurred the organisation has been categorised in the lowest band or at least downgraded by one category. F1 = High rating from Fitch. P1 = High rating from Moody's. AAA = Highest credit rating

ANNEX 2

APPLICABLE ORGANISATIONS BASED UPON DECEMBER 2003 DATA

Institution Type	**Max Amount: £7m** **Max Length: 364 Days**	**Max Amount: £7m** **Max Length: 6 Months**	**Max Amount: £2m** **Max Length: 3 Months**	**Max Amount: £1m** **Max Length: 1 Month**
Banks with Clearing Status in the UK	Barclays Bank CitiBank Int HBOS Lloyds TSB Bank Woolwich	Abbey National Alliance & Leicester Bradford & Bingley Bristol & West HSBC Nat West Bank Northern Rock Standard Chartered	Clydesdale	Co-operative Bank
Wholly Owned Subsidiaries of UK Clearing Banks	None	None	None	None
Merchant Banks	None	None	None	None
Foreign Banks	Bayerische Landesbank GZ Landesbank Hessen-Theurigen GZ Rabobank UBS AG	Deutsche Bank AG	None	None
UK Building Societies	Nationwide	Britannia Chelsea Coventry Portman Skipton Yorkshire	Cheshire Derbyshire Leeds & Holbeck West Bromwich	Dunfermline Newcastle Norwich & Peterborough Nottingham Principality Staffordshire Stroud & Swindon Scarborough
UK Local Authorities	All	N/A	N/A	N/A
UK Public Corporations	None	None	All	N/A

CASH FLOW FORECAST BY PERIOD FOR YEAR 2003/2004

Appendix B

Month Period:	April 1 Actual £000	May 2 Actual £000	June 3 Actual £000	July 4 Actual £000	August 5 Actual £000	September 6 Actual £000	October 7 Actual £000	November 8 Actual £000	December 9 Actual £000	January 10 Est £000	February 11 Est £000	March 12 Est £000	TOTAL £000
Cash Balance Brought Forward	57	20	102	105	30	156	84	207	3	(145)	0	4	57
RECEIPTS													
Misc Inc -Hsg Ben Subsidy	867	679	675	675	703	643	661	695	678	688	688	688	8,340
-Hsg Subsidy & Grant		40	40	40	40	40	200	(401)	66	66	40		171
-VAT		186	165	112	194	132	127	174	141	179	141	141	1,692
-SOCH Receipts	208	580	284	887	121	785	319	295	487	636	299	299	5,200
-Oth Cap Rec													0
-Other revenue income	276	509	745	214	401	145	417	156	174	446	348	348	4,178
HRA Rent Income	429	635	793	678	785	665	696	783	594	529	659	659	7,904
Mortgages	8	15	11	30	10	26	8	29	24	19	18	18	216
Council Tax	3,840	3,027	4,538	3,505	3,592	3,504	3,041	4,653	2,640	3,377	1,482	628	37,827
NNDR	1,821	3,121	2,122	1,454	1,843	1,626	1,718	2,301	1,186	1,899	181		19,272
Debtors	179	151	128	89	84	98	165	207	146	110	136	136	1,628
New Loan													0
TOTAL RECEIPTS	7,628	8,943	9,501	7,684	7,773	7,664	7,352	8,892	6,136	7,949	3,992	2,916	86,429
PAYMENTS													
Precepts -County	3,491	3,491		3,491	3,491	3,491	3,491	3,491		3,491	3,491	3,491	34,909
-Parish	393					394							787
Net Payment of NNDR/RSG	967	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	(407)	617	14,188
Salaries	482	488	493	511	493	497	499	512	535	548	548	548	6,154
Wages	46	43	53	48	46	48	44	59	45	33	59	45	569
Creditors - Cheques	400	852	750	1,091	846	496	1,118	955	1,344	718	857	857	10,284
- BACS	1,530	1,822	2,151	1,561	1,108	1,468	1,508	1,705	1,551	1,258	2,106	1,615	19,383
Loans - Principal													0
- Interest													0
TOTAL PAYMENTS	7,309	8,142	4,893	8,148	7,430	7,839	8,105	8,168	4,921	7,494	6,654	7,173	86,275
Net Bal:receipts/(payments)	376	821	4,710	(359)	373	(19)	(669)	931	1,218	310	(2,662)	(4,252)	212
Inv repaid - Principal	14,415	18,550	19,005	21,725	17,375	15,305	10,370	13,215	7,935	12,350	7,250	14,260	171,755
- Interest	49	66	60	64	53	58	56	77	47	80	66	113	789
	14,840	19,437	23,775	21,430	17,801	15,344	9,757	14,223	9,200	12,740	4,654	10,121	172,756
Temp(Invest)Borrow	(14,820)	(19,335)	(23,670)	(21,400)	(17,645)	(15,260)	(9,550)	(14,220)	(9,345)	(12,740)	(4,650)	(10,120)	(172,755)
Balance Carried Forward	20	102	105	30	156	84	207	3	(145)	0	4	1	1

CASH FLOW FORECAST BY PERIOD FOR YEAR 2004/2005

Appendix C

Month Period:	April 1 Est £000	May 2 Est £000	June 3 Est £000	July 4 Est £000	August 5 Est £000	September 6 Est £000	October 7 Est £000	November 8 Est £000	December 9 Est £000	January 10 Est £000	February 11 Est £000	March 12 Est £000	TOTAL £000
Cash Balance Brought Forward	1	(2)	(1)	3	2	2	1	2	(5)	4	0	4	1
RECEIPTS													
Misc Inc -Hsg Ben Subsidy	1,250	1,240	1,250	1,240	1,240	1,250	1,240	1,250	1,240	1,250	1,240	1,240	14,930
-Grant		15	15	15	15	15	15	15	15	15	15		150
-VAT		190	170	110	200	140	130	180	140	180	140	140	1,720
-SOCH Receipts	210	580	280	890	120	790	320	300	490	640	300	300	5,220
-Oth Cap Rec													0
-Other revenue income	280	510	740	210	400	150	420	160	170	450	350	348	4,188
HRA Rent Income	440	650	820	700	810	680	720	810	610	540	680	680	8,140
Mortgages	10	20	10	30	10	30	10	30	20	20	20	20	230
Council Tax	4,030	3,180	4,760	3,680	3,770	3,680	3,190	4,890	2,770	3,550	1,560	660	39,720
NNDR	1,870	3,200	2,170	1,490	1,890	1,670	1,760	2,360	1,220	1,950			19,580
Debtors	180	150	130	90	90	100	170	210	150	110	140	140	1,660
New Loan													0
TOTAL RECEIPTS	8,270	9,735	10,345	8,455	8,545	8,505	7,975	10,205	6,825	8,705	4,445	3,528	95,538
PAYMENTS													
Precepts -County	3,720	3,720	3,720		3,720	3,720	3,720	3,720		3,720	3,720	3,720	37,200
-Parish	410					410							820
Negative Housing Subsidy	376	376	376	376	376	376	376	376	376	376	376	376	4,512
Net Payment of NNDR/RSG	1,000	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	300	760	15,020
Salaries	560	560	560	560	560	560	560	560	560	560	560	560	6,720
Wages	50	60	50	50	60	50	60	50	50	60	50	50	640
Creditors - Cheques	925	925	925	925	925	925	925	925	925	925	925	925	11,100
- BACS	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743	1,743	20,916
Capital Receipts to the Pool				190			327			198			715
Loans - Principal													0
- Interest													0
TOTAL PAYMENTS	8,784	8,824	8,814	5,284	8,824	9,224	9,151	8,814	5,094	9,022	7,674	8,134	97,643
Net Bal:receipts/(payments)	(513)	909	1,530	3,174	(277)	(717)	(1,175)	1,393	1,726	(313)	(3,229)	(4,602)	(2,104)
Inv repaid - Principal	18,370	17,920	18,890	20,480	23,720	23,520	22,880	21,780	23,250	25,050	24,820	21,670	262,350
- Interest	61	60	63	68	79	78	76	73	78	84	83	72	875
	17,918	18,889	20,483	23,722	23,522	22,881	21,782	23,245	25,054	24,820	21,674	17,140	261,120
Temp(Invest)/Borrow	(17,920)	(18,890)	(20,480)	(23,720)	(23,520)	(22,880)	(21,780)	(23,250)	(25,050)	(24,820)	(21,670)	(17,140)	(261,120)
Balance Carried Forward	(2)	(1)	3	2	2	1	2	(5)	4	0	4	0	0

APPENDIX 3

Prudential Indicator	2004/05	2005/06	2006/07
	£	£	£
Incremental Impact of Capital Investment			
Increase in Council Tax Band D Per annum	0	0	0
Increase in Housing Rent Per Week	0	0	0
Capital Financing Requirement			
Overall	-1,479,000	-1,549,000	-1,569,000
HRA	-6,251,000	-6,251,000	-6,251,000
Authorised Limit for External Debt			
Short Term Borrowing	3,000,000	3,000,000	3,000,000
Long Term Borrowing	0	0	0
Operational Boundary			
Short Term Borrowing	2,000,000	2,000,000	2,000,000
Long Term Borrowing	0	0	0
Estimate of Capital Expenditure			
Non – HRA	3,843,480	2,366,560	1,462,260
HRA	7,657,000	7,294,000	5,834,750
Estimate of Ratio of Financing Costs to Net Revenue Stream			
Non – HRA	-5.10%	-4.40%	-3.65%
HRA	24.64%	24.75%	24.11%
Upper Limit for Fixed Interest Rate Exposure			
Net principal re fixed rate investments	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure			
Net principal variable rate investments	5,000,000	5,000,000	5,000,000
Long-term borrowing	50%	50%	50%
Short –term borrowing	100%	100%	100%
Upper Limit for Total Principal Sums Invested for over 364 days	2,000,000	2,000,000	2,000,000
Maturity Structure of New Fixed Rate Borrowing during 2004/05	Upper Limit	Lower Limit	
Under 12 months	0%	0%	
1 to 2 years	0%	0%	
2 to 5 years	0%	0%	
5 to 10 years	0%	0%	
10 years and above	0%	0%	

CHAPTER 6

ACCOUNTING FRAMEWORK

Background

The Council's accounting framework complies with *The Accounts and Audit Regulations 2003* and *The Code of Practice on Local Authority Accounting in the United Kingdom 2003 : A Statement of Recommended Practice* (SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Accounting policies are set out in the Council's annual Statement of Accounts.

Income and expenditure falls into two categories, revenue and capital. The revenue accounts show the transactions associated with the day-to-day activities of the Council and the capital accounts the transactions associated with the creation of assets benefiting the community over a period of time usually beyond the financial year in which the transaction takes place.

Revenue Accounts

The contents of the revenue accounts are summarised below:

	Collection Fund	*Consolidated Revenue Account*	
		General Fund	*Housing Revenue Account*
Expenditure *Employees -* e.g.Salaries & Wages *Premises* e.g. Repairs *Transport* *Supplies* *Transfer Payments* e.g. Grants *Contract Payments* *Capital Financing Costs* Day to day expenditure	Precepts to: Herts County Council Herts Police Authority Transfer to: TRDC General Fund Payment to National NDR Pool	Services: Planning Leisure Environment Parish Precepts	Repairs and Maintenance Supervision and Management
Income	Council Tax NNDR	Demand on Collection Fund Revenue Support Grant NNDR Grant Fees/Charges Interest	Rents Housing Subsidy Grant

The revenue accounts contain different 'Funds':

The Collection Fund exists to collect the sums from local taxation (Council Tax and National Non-Domestic Rates) and distribute these amounts to the Hertfordshire County Council, Hertfordshire Police Authority, The District and Parish Councils.

The revenue transactions of the collection fund are excluded from the Council's Consolidated Revenue Account which comprises the transactions of two further 'funds';

- the Housing Revenue Account, which is 'ring-fenced', and records the income and expenditure of the Council in its capacity as landlord;

- the General Fund, to which all other transactions are posted.

Revenue accounts are further analysed in two ways:

1. Objective And Subjective Analysis

Type Of Analysis	*Meaning*	*Examples (see page 20)*
Objective Analysis	An analysis by Service	Domestic Refuse Collection Building Control
Subjective Analysis	An analysis by type of Expenditure	Employee Costs Premises Costs Supplies & Services etc

The Council's accounts use a combination of both of these analyses.

Information is generally reported at Cost Centre level. A cost centre collects together expenditure relating to a particular activity of the Council and is, therefore, an objective grouping of costs.

Within each cost centre, costs are analysed subjectively under standard groupings, namely:

Employees
Premises
Transport
Supplies & Services
Agency & Contracted service
Transfer Payments
Central, Departmental & Technical Support (Internal Recharges)
Capital Charges
Income

further (unpublished) analysis is carried out within these groupings, for example:

Employees:
- Salaries-Basic
- Salaries- Overtime
- Wages
- Employers Contributions - Superannuation
- Employers Contributions - National Insurance
- Indirect Employee Expenses e.g. training

2. Financial And Management Accounts

These types of account each have a different purpose:

Type Of Account	*Purpose Of Account*	*Example*
Financial Accounts	To report to the public the cost of the Council's services. These meet the statutory financial reporting requirements. Included within the service accounts are trading accounts that determine the profitability or otherwise of an activity	Domestic Refuse Collection
Management Accounts	In addition to the costs of services, these accounts provide management information on the costs of the Council's departments and sections. These accounts are for internal management purposes only.	Accountancy Practice

In order to meet the statutory requirements for financial reporting the holding accounts are cleared to service accounts via the internal recharging mechanism (see below).

INTERNAL RECHARGES

These are referred to synonymously as:

Indirect Income and Expenditure;
Central, Departmental & Technical Support;
Trading Agreements & Apportionments (TAGs); and,
'Funny Money'.

These charges are for services provided by one section of the Council to another. They may be for work carried out in support of another department of the Council, for example, a charge from the Accountancy Practice to the Land and Property Management Team, or they may represent the costs incurred by a department in support of one of the revenue services or capital schemes.

They exist to show the true cost of any activity.

They are referred to as 'funny money' because, since there is an internal income to one section for every equal internal expenditure of another, they do not represent any real increase in expenditure or income to the Council as a whole.

Capital Accounts

The contents of the capital accounts are shown below:

	Collection Fund	*General Fund*	*Housing Revenue Account*
Expenditure Examples · Land · Buildings · Vehicles & Plant Expenditure on assets that have benefit for more than one year	n/a	Capital Investment	
Income Sources of Capital Funding	n/a	Revenue Contributions Capital Receipts Capital Grants Private sector/Third Party Contributions Reserves	

Capital expenditure and its funding are discussed in greater detail in Chapter 3.

ANNEX A

The Council's Vision, Themes and Policy Priorities

The Council's Vision and Partnership Working

The Council has a ***Vision*** of what it wants to achieve for the District that complements national objectives. It is that ""***Three Rivers should be a prosperous, safe and healthy place where people want and are able to live and work***".

The Council understands that to achieve this vision it needs to work in partnership with other statutory bodies and other organisations that operate in the area. Therefore, in consultation with other partners across the district, the Council has developed a Local Strategic Partnership (LSP). Other members of the LSP are the Police and Police Authority, Hertfordshire County Council, the Primary Care Trust and Council for Voluntary Service. The aim of the partnership is to join up and better co-ordinate the work of all agencies across the District. By working as part of a Local Strategic Partnership the Council is better able to contribute wherever it can.

In addition to the Local Strategic Partnership, the Council welcomes the opportunity to work with other organisations to tackle local issues. Examples of our partnership working with voluntary and statutory agencies include Hertfordshire Environmental Forum, Hertfordshire Prosperity Forum and the Health Partnership Board. Three Rivers is also part of the East of England Regional Assembly and an active participant in the East of England Local Strategic Partnership Network.

A Community Strategy was agreed by the Local Strategic Partnership in March 2003. It aims to improve the economic, social and environmental well-being of the District and is the vehicle through which we seek to achieve government targets as well as meeting local priorities. The Strategy is based on four key themes, which reflect all the partners' shared priorities:

- Healthy Communities
- Prosperous Communities
- Safer Communities
- Sustainable Communities.

Making Sense of all this for our Staff - The Council's Strategic Plan

District Themes - The Council has adopted the four Themes of the Community Strategy as a focus for its work across the District**.** They represent priority areas for delivery in the Community Strategy for 2003 to 2008. They naturally, therefore, form the foundation on which to develop and deliver the Strategic Plan. Also contributing to these themes will be a range of other Strategies and Plans such as Implementing Electronic Government Statement, Best Value Performance Plan, Medium Term Financial Plan, and Cultural Strategy. These are further underpinned by individual Service Plans such as this document.

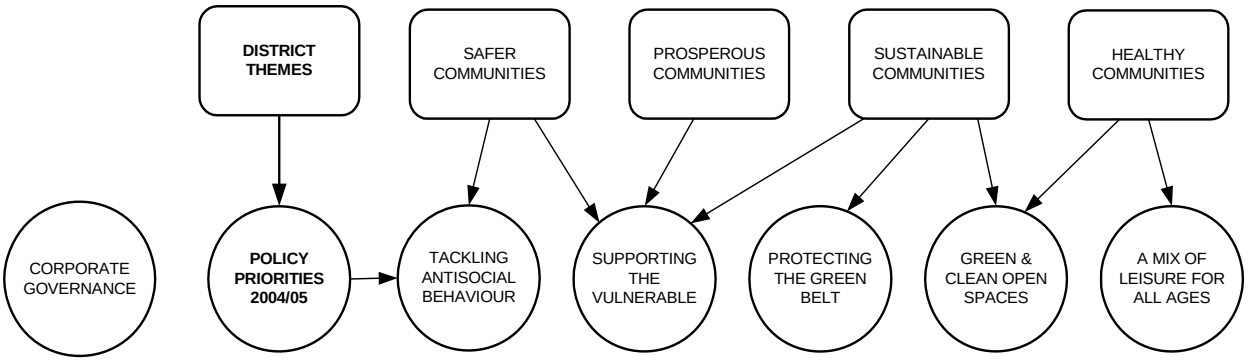
Policy Priorities have been identified for 2004/05 to bring about the Council's contribution to the District Themes and departments within the Council are responsible individually and collectively for their successful delivery. Short term priorities for the Council, which are set against the context of the District Themes, are reviewed by Elected Members on an annual basis. These priorities are there to provide an immediate focus for improvement and make a direct contribution in achieving the District Themes.

High Level Outcomes - Specific outcomes have been identified against each of the Policy Priorities. Wherever possible they include performance targets that are either time based or are quantifiable measures.

Corporate Governance - A range of activities exist under the general heading of Corporate Governance. These are services which cannot be directly assigned to specific priorities but which make a contribution on a corporate basis. Under this heading we include

- Council Tax and NNDR
- Accountancy and Treasury
- Legal
- Property & FM
- Corporate Management
- Personnel
- Elections
- Housing Policy
- ITC / Web development
- Communications

The Strategic Plan - Themes, Policy Priorities and High Level Outcomes – 2004/05



Policy Priority	High level outcomes for 2004/05
Tackling Anti-social Behaviour	• Reduce the fear of crime in Three Rivers District from the levels found by the April 2001 telephone survey • Delivery of the Community Safety Partnership outcomes
Protecting The Green Belt	• Ensure that no development which would be contrary to green belt policies takes places in the Green Belt • Ensure that at least 65% of development takes place on previously developed land
Green And Clean Open Spaces	• Evidence that the streets and town centres of the district are clean places to be
A Mix Of Leisure For All Ages	• Evidence of increased access to leisure provision by the young and the elderly • Evidence of increased access to leisure venues by people with a disability
Supporting The Vulnerable	• That those budgets dedicated to supporting those in need are fully spent • Significant progress in implementing Department of Works and Pensions performance standards to provide a better service to benefits customers • Action taken to ensure that 2010 Decent Homes Standard targets will be met
Corporate Governance	• Implementation of the Improvement Plan which arises from our CPA inspection Jan 2004 • Updated District Community Plan which has been agreed with partners

Progress against achieving the high level outcomes will be reported to each meeting of the Executive Committee.

Target Setting, Progress Monitoring & Improving Performance

Setting Targets and Monitoring Progress

In order to effectively measure progress against each of the priorities the relevant Best Value and Local PIs that can be associated to each Priority have been identified, against which targets have been set.

Improving Performance

One of the ways the Council measures how it is performing in delivery of its services is by comparing its performance for Best Value Performance Indicators relative to other authorities across England. As well as monitoring how it is performing in absolute terms, performance is scored according to how the authority compares to the best quartile (75 percentile) or worst quartile (25 percentile) performance. In this context, best quartile means the level of performance achieved by the best performing 25% of authorities.

Improvement Targets

The Council's improvement strategy focusing on BVPIs can be expressed as

For those BVPIs which relate to priorities

Status as at March 2003	Targets
Worst quartile	Move above worst quartile by 2004/05 and, Into 2nd Quartile by 2005/06
3rd Quartile	Achieve 2nd Quartile by 2004/05 and Achieve best quartile by 2005/06
2nd Quartile	Improve on previous year for 2004/05, and Achieve best quartile by 2005/06
Best quartile	Maintain best quartile year on year

For those BVPIs which relate to Corporate Governance / Other

Status as at March 2003	Targets
Worst quartile	Move above worst quartile by 2004/05, and Into 2nd Quartile by 2005/06
3rd Quartile	Achieve 2nd Quartile by 2005/06
2nd Quartile	Maintain 2nd Quartile year on year
Best quartile	Maintain best quartile year on year

The Council's Best Value Performance Plan lists all of the Best Value Performance Indicators (BVPIs) and which department has responsibility for their achievement. The BVPIs relevant to the Corporate Resources Department are listed below and are shown in more detail in the sections that follow.

ANNEX B

LEGISLATIVE BACKGROUND

Listed below is a brief summary of the legislation affecting Local Government finance.

SOURCE	SUMMARY
Local Government Act 1972 (Part VIII)	Sets out basic framework of responsibility to keep funds and accounts and provide for proper financial administration. Permits contributions towards expenditure on concurrent functions. S151 of the Act requires that each local authority must secure that one of its officers has responsibility for the administration of its financial affairs.
Local Government Act 1986	Requires a separate account of expenditure on publicity.
Local Government Finance Act 1988	Includes requirement for Chief Finance Officer to be professionally qualified, duties and responsibilities of Chief Finance Officer, capital expenditure, the duty to consult ratepayers and payments (between authorities). S114 of the Act requires the Chief Finance Officer to make a report to all the authority's members, in consultation with the monitoring officer (Local Government and Housing Act 1989) if there is or likely to be unlawful expenditure or an unbalanced budget.
Local Government Finance Act 1992	Introduced Council Tax.
Local Government Act 2003	Amended capital financing arrangements; introduced business improvement districts and powers to charge for discretionary services and to trade.
Accounts and Audit Regulations 2003	Lists what is required in the statement of accounts, including the requirement to disclose remuneration of officers earning more than £50,000; requires Council to approve statement of accounts by prescribed deadlines.

ANNEX C

GLOSSARY

Annual Financial Plan

The Council's revenue budget and capital investment programme for the year.

Assumed National Council Tax

The difference between Total Assumed Spending and Aggregate External Finance is approximately the amount that would be raised in Council Tax if local authorities as a whole spent at the level of their Formula Spending Shares. Dividing this total amount by the total council tax base produces an assumed national tax rate. This then gives the standard level of council tax for a band D property if all local authorities spent at the level of their Formula Spending Share. This amount is used to work out how the revenue Support Grant should be shared between authorities. Previously known as Council Tax for Standard Spending.

Billing Authority

The authority responsible for collecting council tax – district councils, London boroughs and unitary authorities.

Budget Requirement

The amount the Council estimates as its planned spending after deducting funding from reserves and income it expects other than from council tax and government grant (e.g. fees and charges).

Business Rates

Called National Non-Domestic Rates. The means by which local businesses contribute to the cost of local services. Business rates are paid into a central pool and divided between councils depending on the number of residents each authority has.

Capital Charges

A Committee's Revenue Accounts include Capital Charges for the use of assets it has acquired through its capital programme. The charge takes the form of Notional Interest and Depreciation. In this way the true cost of the service is reflected in the accounts although the Council Tax is unaffected since the total of these notional charges is deducted before the tax is calculated.

Capital Expenditure

Capital Expenditure is defined in Part I of the Local Government Act 2003 as expenditure of the authority which falls to be capitalised in accordance with proper practices. It can be summarised as the acquisition, construction or enhancement of land, roads, buildings and other structures; the acquisition, installation or replacement of plant, machinery and vehicles; and grants to enable such expenditure in respect of the above

Capital Financing Requirement

The capital financing requirement measures the Council's underlying need to borrow for capital purposes. Any decision taken to borrow or use a credit arrangement to finance major projects will impact on the capital financing requirement which replaces credit ceilings.

Capital Investment Programme

The Council's Capital Expenditure is included in its Capital Investment Programme.

Capital Receipts

Capital receipts are the income derived from the disposal of assets which would be classified as capital expenditure if the authority had been acquiring those assets.

Capping

The rules set by the government to limit the overall level of Council Tax. The government has taken reserve powers to enable it to limit excessive Council Tax increases.

Chartered Institute of Public Finance and Accountancy (CIPFA)

A professional body whose codes of practice are recognised for the purposes of accounting and financial reporting and management.

Council Tax

A local tax on domestic property set by the Council. The Council's budget requirement is met by council tax and government grants.

Council Tax Base

This is the number of Band D equivalent properties determined by the Council each December.

Council Tax Bands

There are eight Council Tax Bands – A to H. A band A property pays 6/9ths of a Band D charge. A Band H property pays twice the Band D charge.

Formula Grant

Comprises Revenue Support Grant and redistributed business rates.

Formula Spending Shares (FSSs)

These are the Government's way of dividing up Total Assumed Spending between councils. (Formerly Standard Spending Assessments)

Housing Revenue Account (HRA)

A 'ring-fenced' account within the consolidated revenue account dealing with income and expenditure arising from the Council's responsibilities as a landlord.

Housing Subsidy

The subsidy payable by the Government towards HRA costs. It consists of management and maintenance allowances, capital financing charges, rent income and the major repairs allowance. From 1 April 2004 rent rebates are no longer reimbursed via this subsidy but as a specific grant to the General Fund (to match the rent rebate expenditure). This has meant that the subsidy figure has become negative and that the Council now makes a payment from its HRA to the Government.

Income (Conventions for distinguishing from Expenditure)

Accounting Statements use different conventions for indicating whether an item is income or expenditure. Income items are shown thus:

-1,000, -£1,000, £1,000-, (1,000), (£1,000).

Negative figures generally indicate income.

However, when a net income (or surplus for the year) is added to a balance sheet item (e.g. the General Fund Balance) it is usually shown as a positive figure (as to show the General Fund Balance as a negative figure could induce panic!):

	£
Opening General Fund Balance at 1 April 1995	1,256,200
Add: Excess of Income over Expenditure/Surplus for Year	223,393
Closing General Fund Balance at 31 March 1996	1,479,593

Major Repairs Allowance

A significant element of Housing Subsidy which must be transferred to a Major Repairs Reserve and used only for the refurbishment of the Council’s housing stock.

Minimum Revenue Provision (MRP)

The Minimum Revenue Provision (MRP) is the minimum amount a council must charge to its Revenue accounts annually for the repayment of its debt.
In its simplest terms, MRP is calculated as 4% of the capital financing requirement.

National Non-Domestic Rates

See business rates above.

Out-turn

The amounts in the Council's accounts at the end of a financial year (occasionally referred to as the 'Actual' or 'Actual Outturn'). Projected Outturn is the amount estimated as the outturn during the year in question.

Precept

An amount levied by one authority on another. In this context, the 'major precepting authorities' are the County Council and Police Authority, Parish Councils are 'local precepting authorities', and the District Council is the billing authority.

Prudential Indicators

The prudential capital finance scheme was introduced by the Local Government Act 2003 and took effect from 1 April 2004. CIPFA's Prudential Code requires that the Council establishes a number of prudential indicators at the time it sets its budget to ensure that the capital investment plans are affordable, prudent and sustainable.

Reserves

Sums set aside to meet revenue or capital expenditure in the future. They may or may not be earmarked for a specific purpose by the Council.

Revenue Balances

These are the Council's financial safety net. They are amounts built up from accumulated surpluses and are reviewed each year to maintain a prudent minimum to meet unforeseen or urgent expenditure and to provide a small working balance to avoid unnecessary borrowing. In recent years the General Fund balance has equated to 10% of net revenue expenditure plus an amount calculated for contingencies.

Revenue Contributions to Capital

Capital expenditure that is met from the revenue account in the year of acquisition. No on-going debt is therefore incurred. Often referred to as 'Pay-as-you go'.

Revenue Expenditure

Expenditure on ongoing items such as salaries and wages. All expenditure other than that classified as capital.

Revenue Support Grant (RSG)

A government grant to make up the shortfall between a local authority's Formula Spending Share and the amount it would receive from Assumed National Council Tax and redistributed business rates.

Special Expenses

Those expenses incurred by the Council on services in certain parts of the district where the same service is provided in another part of the area by one or more parish councils. These expenses are separated from general expenses and charged in the council tax only to those areas to which they relate.

Specific and Specified Capital Grants

Central Government cash grants towards the Council's expenditure on private sector improvement grants, disabled facility grants, slum clearance and defective dwellings.

Third Party Contributions to Capital Expenditure

Contributions from external organisations towards capital expenditure (e.g. lottery funding and Section 106 agreements).

Total Assumed Spending (TAS)

The amount of spending by local government as a whole which the Government assumes in its spending plans. Formerly known as Total Standard Spending

Total Formula Spending

The national total of Formula Spending Shares

Usable Capital Receipts

The element of a capital receipt that is not pooled is known as the Usable Capital Receipt and can only be used to finance capital expenditure.

Virement

The increase in expenditure on one budget offset by a corresponding decrease elsewhere.