

POLICY AND RESOURCES COMMITTEE – 22 JANUARY 2019

PART I - NOT DELEGATED

9. FINANCIAL PLANNING – REVENUE SERVICES

(DoF)

1 Summary

1.1 The purpose of this report is to enable the Policy and Resources Committee to recommend to the Council the medium term revenue budgets. This report is the first of three that are covered together under the recommendations reported at Item 11 on this agenda.

2 Details

2.1 Officers have prepared a three-year Medium Term Financial Plan (MTFP) base budget for 2019 – 2022 which includes a revised estimate for the current year. This is attached at **Appendix 1**.

2.2 2018/19

The original net revenue budget for 2018/19 was **£11.540 million**. The latest approved budget is **£12.224 million** (approved by Council on 11 December 2018); the table below shows the approved changes to date and the variances reported for this period (end of November) to give a forecast outturn position of **£12.296 million**.

| Net Revenue Budget 2018/19 | £ million |
|--|---------------|
| Original Net Revenue Budget | 11.540 |
| Variances Previously Reported | 0.684 |
| Latest Approved Budget | 12.224 |
| Service Variances Reported This Period | 0.072 |
| Forecast Outturn position | 12.296 |

2.3 At the end of November, Services show an estimated unfavourable variance of **£0.072 million**. The budget will be changed to reflect this outturn forecast if approved at Council.

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

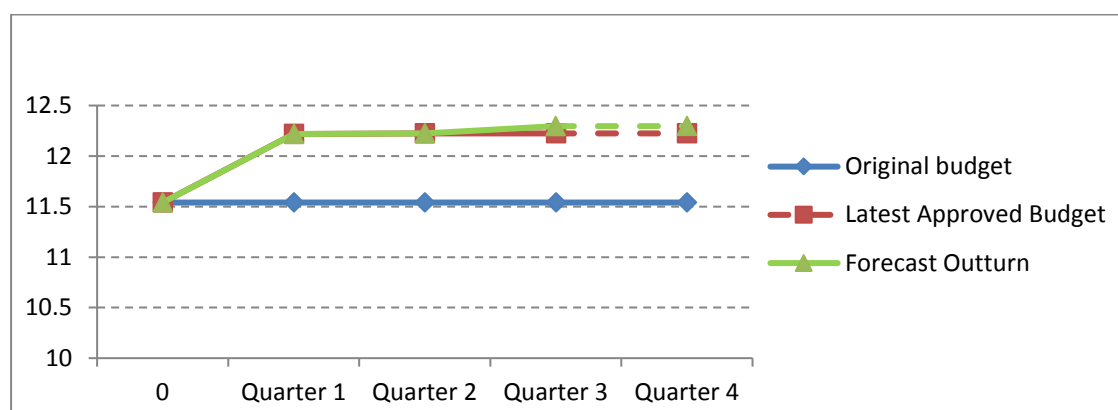
| 2018/19 Revenue Account – General Fund Summary | | | | | |
|--|--------------------------|------------------------|--------------------------------|---------------------------|-------------------|
| Service Area | Original Budget £'000 | Latest Budget £'000 | Net Spend to Period 8 £'000 | Forecast Outturn £'000 | Variance £'000 |
| Leisure, Environment and Community | 4,262 | 4,608 | 2,444 | 4,624 | 16 |
| Infrastructure, Housing and Economic Development | 1,197 | 1,592 | 424 | 1,391 | (201) |
| Policy & Resources | 4,290 | 4,257 | 5,798 | 4,604 | 347 |
| Total Services | 9,749 | 10,457 | 8,666 | 10,620 | 163 |
| Corporate Costs (Interest, Parish precepts) | 1,791 | 1,767 | 1,850 | 1,676 | (91) |
| Net General Fund | 11,540 | 12,224 | 10,516 | 12,296 | 72 |

2.4 The main items that contribute to the net favourable services variance of £0.072 million are;

| | | £'000 |
|----|--|-----------|
| 1. | Reduction in business rates on Council properties primarily due to refund on shops in South Oxhey | (56) |
| 2. | Reduction in income received for large scale planning application submissions | 110 |
| 3. | Settlement of compensation claim on Tree Preservation Order | 110 |
| 4. | Adjustment to property investment estimate relating to shops in South Oxhey. This only effects the current year and 2019/20. | 200 |
| 5. | In-year salary vacancies across services | (250) |
| 6. | Lower cost of borrowing for the leisure facility at South Oxhey | (81) |
| 7. | Other | 39 |
| | Total | 72 |

The details of all the service variances over the medium term are shown at **Appendix 3**

2.5 The trend over the financial year (2018/19) is plotted on the graph below:



2019/19 - 2021/22 - The Medium Term Financial Plan (MTFP)

2.6 Looking ahead over the next three years, the MTFP has been prepared against the continued backdrop of uncertainty over funding, increasing pressure on services and continuing expectations from stakeholders for service provision.

2.7 There has been a significant increase in costs associated with processing mixed dry recycles. This is largely due to a change in policy of China's import restrictions. Although the price of mixed recyclables is starting to recover, there will be a significant shortfall in 2018/19 and this is predicted to continue in future years. An additional £78,000 is required for 2019/20 and future years. All Districts within the County are in a similar position.

2.8 Services have worked hard during the budget setting process to keep budget growth to a minimum and remain within their budget limits. Services have submitted Project Initiation Documents (PIDS) to their relevant service Committees for approval. This results in an increase in growth of £268,000 over the MTFP.

2.9 The Council's decision not to proceed with the redevelopment of the sports hall at William Penn (part of the retendered leisure management contract) means there is a reduction in the average annual management fee of circa £107,000, over the remaining 19 year period of the contract to the Council (a total of £2,033,000). To compensate for part of the budget shortfall, the contractor's proposal to implement above-inflation price increases was agreed by Council on 11 December. This means the Council will receive a £37,000 per annum reduction in the average annual management fee over the remaining period of the contract.

- 2.10 Planning application fees are demand led and whilst the implications of Brexit are unknown, the Council's Local Plan will not advance significantly until the latter part of 2019/20, at which time developers will have more certainty of suitable development sites and opportunities. Applications have seen a reduction in income of £150,000 in 2018/19 and it is considered that this will continue in 2019/20. This will be monitored closely in the forthcoming financial year.
- 2.11 In the previous MTFP, the Council indicated that by 2018/19 it would be making an additional £1 million from its investment in property (including temporary accommodation). The property investment budget has now been spent and the Council will continue to actively manage its investment portfolio to maintain its investment income.
- 2.12 **Appendix 3** includes the variances reported for the current period (end of December) that affects all years. The effect of the all variances on the Council's (surplus)/deficit for the year and the general fund balance over the medium term is shown in the table below.

| Movement on General Fund | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------------|------------------|-----------------|-------------------|-------------------|
| | Forecast Outturn | Proposed Budget | Indicative Budget | Indicative Budget |
| | £000 | £000 | £000 | £000 |
| Balance at 1 April | (4,343) | (4,266) | (3,839) | (3,537) |
| (Surplus)/deficit for year | 77 | 427 | 302 | 28 |
| Balance at 31 March | (4,266) | (3,839) | (3,537) | (3,509) |

- 2.13 It is recommended that for contingencies a balance of at least £2 million should be retained in the General Fund. The Council has an additional earmarked reserve of £2,000,000 to set against future economic downturn/loss of business rates and this could be used, if required, to maintain a prudent level of General Fund balance.
- 2.14 It should be noted that long term use of reserves to offset deficits is not sustainable or prudent. The balance on each revenue and capital reserve at the 31 March 2019 is shown at **Appendix 8**.

3 Additional income and efficiency savings

- 3.1 The garden waste initiative has continued to be extremely popular and current demand has continued to exceed the anticipated participation and take-up rates.
- 3.2 The base budgets also include efficiency savings of £100,000 in both 2020/21 and 2021/22. These have yet to be specifically identified and allocated to individual services.

4 Potential Growth

- 4.1 As mentioned above, officers have made every effort to cash limit expenditure without affecting service delivery. Unavoidable growth (eg: statutory and contractual requirements) have been included into the based budgets. The scheme for prioritising discretionary growth is shown at **Appendix 4**. There are five new proposed growth items shown at **Appendix 5**. These total £190,560 in 2019/20. One of these bids depends on the approval to fund their respective new capital scheme (see Item 10 on this agenda).

5 Fees and Charges

- 5.1 Details of the proposed fees & charges were presented to service committees in November and December and have been included in the base budgets where agreed. The latest budgets for fees and charges are shown at **Appendix 6**.

6 Funding the Revenue Budget

6.1 The overall Council Medium Term Financial Plan (MTFP) at Appendix 1 indicates a budget requirement (net expenditure) for 2019/20 of **£12,562,183**. This will be funded from a number of sources, which are detailed in the following paragraphs.

6.2 Government Grant

6.2.1 The provisional settlement in December 2018 provided details of the funding available to the Council for 2019/20. It included changes to the Council's baseline NDR figures and tariff to reflect the removal of negative RSG nationally. 2019/20 is the final year of the four year settlement with the Government expected to reset the NDR system from 2020/21.

6.3 Revenue Support Grant (RSG)

6.3.1 The Council no longer receives Revenue Support Grant.

6.4 Business rates

6.4.1 Business rates are collected by the Council, and the proceeds are shared between the District and County Council, and also with central Government to fund services. There is an element of risk and reward involved in the Business Rates scheme, which is designed to incentivise Councils to promote business growth within their areas. The Council expects its share of business rates to be £1.610 million in 2019/20. The business rates retention scheme is volatile and estimating the outturn is complex due to factors such as appeals, demolitions, new builds, occupation and reliefs.

6.4.2 It should be noted that the business rates retention system will be "re-set" for 2020-21. The re-set will establish new baseline funding levels and business rates baselines for each local authority that is party to the rates retention system. Baseline funding levels will be based on the spending control totals for 2020-21 and the distribution formulas that will be put in place through the Fair Funding Review.

6.5 Business Rates Pooling/PILOT

6.5.1 In 2018/19 a new business rate pool consisting of the County Council, this Council and other Hertfordshire districts/borough councils has been established. This is to continue in 2019/20 with membership of this pool expecting to contribute £400,000 to the Council's business rate income. This is already included in the base budget. The provisional settlement confirmed that Hertfordshire will be a pilot for 75% Business Rate retention in 2019/20. Being a part of this pilot is expected to increase resources available to the Council by £200,000.

6.6 New Homes Bonus

6.6.1 New Homes Bonus is a non-ring-fenced grant relating to the number of new homes delivered in a local authority area that may be used at the discretion of the Council for either capital expenditure or to support the revenue account (or combination). For 2019/20, based on the provisional settlement, the Council expects to receive £0.635 million of which will be split equally between revenue and capital funding. Estimates for future years are harder to predict due to factors around timing of qualifying developments coming on line and the impact of the NDR reset, but the Council has made realistic estimates of income and included these in the MTFP.

6.7 **Council Tax for 2019/2020**

- 6.7.1 The Council needs to set a budget that gives an acceptable level of council tax, and is balanced in the medium to long term using the resources at its disposal.
- 6.7.2 A council tax increase of £5 has been assumed for 2019/20 and subsequent years. The Council expects to collect £6.798 million of council tax income in 2019/20. A one percentage increase in the council tax rate generates approximately a £68,000 increase in Council Tax revenue.
- 6.7.3 The Localism Act 2011 introduced a power for local electorates to approve or veto excessive council tax rises. Any authority setting a council tax increase of 3% or more or more than £5 (whichever is the greater) will be required to hold a council tax referendum.
- 6.7.4 The government assessment of core spending power assumes local authorities will increase Council Tax by the maximum amount available without triggering a referendum.

6.8 **Council Tax Base**

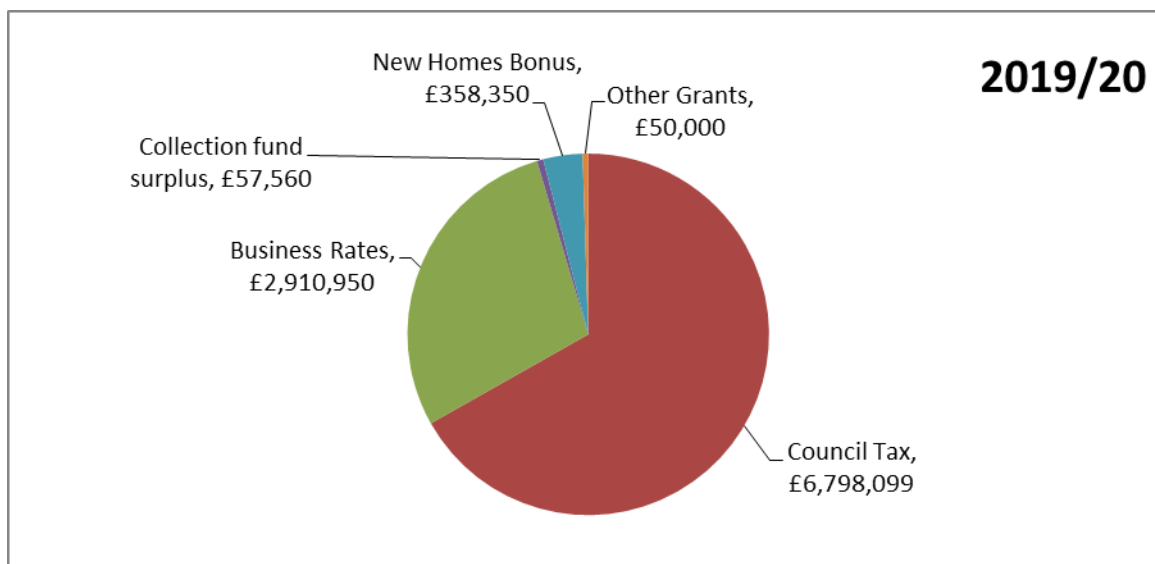
- 6.8.1 The Council Tax base for 2019/20 was set at the Council meeting on 11 December 2018 and totalled 39,092 assuming a collection rate of 99%. The base shows an increase of 2.2% over 2018/19. Where amounts of Council Tax collected exceed the estimates made, the surplus is shared between the relevant major precepting authorities (Hertfordshire County Council, Three Rivers District Council and Hertfordshire Police & Crime Commissioner). To reduce risk for the Parish Councils, surpluses or deficits are not paid or charged to them.

6.9 **Local Council Tax Reduction Scheme**

- 6.9.1 At the Council meeting on 11 December 2018, it was resolved to continue to apply the agreed Local Council Tax Reduction Scheme for 2019/20.

6.10 **Collection Fund**

- 6.10.1 The Collection Fund is a statutory requirement to account separately for Council Tax and Business Rates. The Fund records all transactions such as the yield, exemptions, discounts, provisions for bad debts, payments to major preceptors to Central Government and takes into account collection rates.
- 6.10.2 The Council Tax setting process requires an estimate of the surplus or deficit at 31 March 2019 on Council Tax and Business Rates. The balances are distributed to the Council as the Billing Authority, the major preceptors and Central Government. The balance on the Collection Fund for Council Tax at 1 April 2018 was a £1.827million surplus, with £0.235 million as TRDC's share. The surplus with £.0811 million as TRDC's share. The Business Rates surplus will be recovered in subsequent years in the proportion to the value of the respective shares of the Business Rates Retention scheme.
- 6.11 The chart below show the value and proportion of each funding stream that supports the Council's revenue account for 2019/20.



7 Budget Consultation

- 7.1 The Council will consult on budget proposals for the period 2019/20, via an on-line document. Customers, stakeholders, businesses and partner agencies will be invited to read the proposals and respond with their opinions. The consultation will be completed in early February.

8 Draft Revenue Estimates and General Fund Balance

- 8.1 The Director of Finance confirms the estimates have been correctly calculated under the assumptions used and that balances remain adequate.
- 8.2 The Council's financial exposure over a three-year medium-term period has been calculated for each of its budgetary risks. It is acknowledged that were any of the risks to occur then the impact might last longer; on the other hand actions to mitigate the risk would be taken over the three year period.
- 8.3 Balances can be used to support revenue expenditure, applied to capital expenditure or a combination of these. The Council should agree to retain some of the balance as 'working balances'. These should be retained at a prudent minimum to assist cash flow management, avoid the need to borrow in the short term, and cover unforeseen expenditure. The prudent minimum level of balances depends on the council's view of its financial risks and is considered further under risk management below.
- 8.4 The Committee is recommended to agree £2,000,000 as the minimum general fund balance over the medium term.

9 Options/Reasons for Recommendation

- 9.1 The recommendation below enables the Committee to make recommendations to the Council on 26 February 2019 concerning the Council's budget.

10 Policy/Budget Reference and Implications

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

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

11.1 Dependent on budget decisions.

12 Financial Implications

12.1 Included above

13 Legal Implications

13.1 The Policy and Resources Committee must forward its recommendations on the budget to Council. The Council must set its 2019/20 budget by 11 March 2019.

14 Staffing Implications

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

15 Risk Management Implications

15.1 The Council has agreed its risk management strategy. Financial and budgetary risks are shown at **Appendix 7**.

15.2 In the officers' opinion none of the risks above, in isolation, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks that will be included and managed via the Corporate Services Service Plan. The effectiveness of treatment plans are reviewed by the Audit Committee.

16 Recommendation

16.1 That this report be noted.

Report prepared by: Alison Scott – Head of Finance
Nigel Pollard – Section Head (Accountancy)
Checked by: Joanne Wagstaffe - Director of Finance

Background Papers

Reports and Minutes of The Policy and Resources Committee and Council

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

Appendices

Appendix 1 Summary Medium Term Financial Plan (2018-2022)

Appendix 2 Service Committees Medium term Financial Plan (2018-2022)

Appendix 3 Service Committees Variances at end of November (2018-2019)

Appendix 4 Scheme for Prioritising Growth

Appendix 5 Potential Growth

- Appendix 6 Proposed Fees & Charges
- Appendix 7 Financial and Budgetary Key Risks
- Appendix 8 Reserves

MEDIUM TERM FINANCIAL PLAN 2019-2022

APPENDIX 1

| Funding | 2018/2019 Original Budget | 2018/2019 Latest Budget inc C/Fs | 2018/19 Forecast Outturn | 2019/2020 Draft Budget | 2020/2021 Draft Budget | 2021/2022 Draft Budget |
|--|--|---|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Council Tax Base (No.) | 38,243.70 | 38,243.70 | 38,243.70 | 39,092.00 | 39,287.46 | 39,483.90 |
| Council Tax Base Increase (%) | 1.14 | 1.14 | 1.14 | | 0.50 | 0.50 |
| Band D Council Tax (£) | 168.90 | 168.90 | 168.90 | 173.90 | 178.90 | 183.90 |
| Council Tax Increase - TRDC (%) | 3.05 | 3.05 | 3.05 | 2.96 | 2.88 | 2.79 |
| Council Tax (£) | (6,459,361) | (6,459,361) | (6,459,361) | (6,798,099) | (7,028,527) | (7,261,089) |
| Parish Precepts (£) | (1,921,233) | (1,921,233) | (1,921,232) | (1,959,660) | (1,998,850) | (1,998,850) |
| Total Taxation (£) | (8,380,594) | (8,380,594) | (8,380,593) | (8,757,759) | (9,027,377) | (9,259,939) |
| Government Grants (£) | (1,930,641) | (1,930,641) | (1,930,641) | (1,610,950) | (1,610,950) | (1,610,950) |
| Council Tax Transition Grant (£) | 0 | 0 | 0 | 0 | 0 | 0 |
| Collection fund deficit | (203,640) | (203,640) | (203,640) | (57,560) | 0 | 0 |
| New Homes Bonus Grant | (554,649) | (554,649) | (554,649) | (358,350) | (110,839) | (110,839) |
| Dividend (£) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) |
| Business Rates Pooling (£) | (400,000) | (400,000) | (400,000) | (600,000) | (400,000) | (400,000) |
| Business Rates Growth (£) | (700,000) | (700,000) | (700,000) | (700,000) | (700,000) | (700,000) |
| Total Grant Funding (£) | (3,838,930) | (3,838,930) | (3,838,930) | (3,376,860) | (2,871,789) | (2,871,789) |
| Total Taxation & Grant Funding (£) | (12,219,524) | (12,219,524) | (12,219,523) | (12,134,619) | (11,899,166) | (12,131,728) |
| Financial Statement - Summary | 2018/2019 Original Budget | 2018/2019 Latest Budget | 2018/19 Forecast Outturn | 2019/2020 Draft Budget | 2020/2021 Draft Budget | 2020/2021 Draft Budget |
| | £ | £ | £ | £ | £ | £ |
| Committee - Net Cost Of Services | | | | | | |
| Infrastructure, Housing & Economic Development | 1,197,010 | 1,591,930 | 1,591,930 | 1,425,910 | 1,474,600 | 1,474,600 |
| Leisure, Environment & Community | 4,262,490 | 4,608,240 | 4,608,240 | 4,553,210 | 4,321,940 | 4,321,940 |
| Policy & Resources | 4,289,702 | 4,256,822 | 4,256,822 | 4,174,777 | 4,345,259 | 4,345,259 |
| Period 8 Variances - all Committees | | | 162,623 | 437,298 | 181,037 | 114,819 |
| Revenue Implications of PIDS | | | 0 | 190,560 | 38,440 | 39,000 |
| Sub-Total | 9,749,202 | 10,456,992 | 10,619,615 | 10,781,755 | 10,361,276 | 10,295,618 |
| Other | | | | | | |
| Parish Precepts | 1,921,233 | 1,921,233 | 1,921,233 | 1,959,660 | 1,998,850 | 1,998,850 |
| Net Transfer from Reserves | (59,910) | (59,910) | (59,910) | (59,910) | (59,910) | (59,910) |
| Interest Payable | 0 | 152,910 | 152,910 | 336,530 | 356,500 | 79,070 |
| Period 8 Variances | | | (90,400) | 9,348 | 9,348 | 209,348 |
| Interest Received | (70,000) | (246,810) | (246,810) | (465,200) | (465,200) | (362,790) |
| Sub-Total | 1,791,323 | 1,767,423 | 1,677,023 | 1,780,428 | 1,839,588 | 1,864,568 |
| Net Expenditure | 11,540,525 | 12,224,415 | 12,296,638 | 12,562,183 | 12,200,864 | 12,160,186 |
| Income from Council Tax, Government Grants & Business Rates | (12,219,524) | (12,219,524) | (12,219,523) | (12,134,619) | (11,899,166) | (12,131,728) |
| (Surplus)/Deficit | (678,999) | 4,891 | 77,115 | 427,564 | 301,698 | 28,458 |
| Movement on General Fund Balance | 2018/2019 Original Budget | 2018/2019 Latest Budget | 2018/19 Forecast Outturn | 2019/2020 Draft Budget | 2020/2021 Draft Budget | 2020/2021 Draft Budget |
| | £ | £ | £ | £ | £ | £ |
| General Fund Balance Brought Forward at 1 April | (3,347,382) | (4,343,265) | (4,343,265) | (4,266,150) | (3,838,586) | (3,536,887) |
| Revenue Budget (Surplus)/Deficit for Year | (678,999) | 4,891 | 77,115 | 427,564 | 301,698 | 28,458 |
| General Fund Balance Closing Balance at 31 March | (4,026,381) | (4,338,374) | (4,266,150) | (3,838,586) | (3,536,887) | (3,508,429) |

SERVICE COMMITTEES - MEDIUM TERM FINANCIAL PLAN 2018 - 2022

| Leisure, Environment & Community | | | | | | | | | |
|---|---------------------------|-----------------------|-----------------|--------------|--------------------|--------------------|--------------------|--------------------|--|
| <i>Community Safety & Partnership</i> | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | Comments |
| Community Safety | 188,020 | 188,020 | 68,905 | 5,000 | 193,020 | 194,580 | 191,080 | 192,150 | Increased demand for closure order legal costs. Closure orders prevent nuisance or disorder from continuing, recurring or occurring. |
| Citizens Advice Bureaux | 303,340 | 303,340 | 257,340 | 0 | 303,340 | 303,340 | 303,340 | 303,340 | |
| Community Development | 7,500 | 4,500 | 0 | 0 | 4,500 | 4,500 | 4,500 | 4,500 | |
| Communication | 122,710 | 123,610 | 70,623 | 0 | 123,610 | 125,890 | 126,940 | 128,010 | |
| Community Partnerships | 176,790 | 176,790 | 114,173 | 0 | 176,790 | 180,000 | 181,660 | 183,350 | |
| Public Conveniences | 4,200 | 4,200 | 0 | 0 | 4,200 | 4,200 | 4,200 | 4,200 | |
| Environmental Health - Commercial Team | 206,490 | 206,490 | 81,729 | (53,130) | 153,360 | 206,200 | 207,990 | 209,790 | Variance includes revised employee estimates |
| Licensing | (193,580) | (148,580) | (115,660) | 38,000 | (99,050) | (107,370) | (106,420) | (105,460) | Decrease in volumes of licences granted |
| | | | | 11,530 | | | | | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Community & Leisure Grant | 40,000 | 40,000 | 12,219 | 0 | 40,000 | 40,000 | 40,000 | 40,000 | |
| Total | 855,470 | 898,370 | 489,328 | 1,400 | 899,770 | 951,340 | 953,290 | 959,880 | |

| <i>Leisure</i> | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | |
|------------------------------------|---------------------------|-----------------------|------------------|--|--------------------|--------------------|--------------------|--------------------|---|
| Abbots Langley project | 40,210 | 40,210 | 200,234 | 0 | 40,210 | 41,370 | 41,790 | 42,230 | Funded from S106 |
| Community Arts | 11,910 | 11,910 | 5,904 | 0 | 11,910 | 11,910 | 11,910 | 11,910 | |
| Watersmeet-General | 19,285 | 19,285 | (39,384) | 0 | 19,285 | 48,575 | 58,185 | 69,085 | Changes in Business Rates for Council Premises |
| Watersmeet-Entertainments | (9,260) | (9,260) | (57,125) | 0 | (9,260) | (21,560) | (21,130) | (20,750) | |
| Leavesden YMCA | (35,000) | (35,000) | (17,501) | 0 | (35,000) | (35,000) | (35,000) | (35,000) | |
| Active Community Development Fund | 43,540 | 43,540 | 20,520 | 0 | 43,540 | 43,400 | 43,400 | 43,400 | |
| Oxhey Hall | (3,000) | (3,000) | (2,250) | 0 | (3,000) | (3,000) | (3,000) | (3,000) | |
| Trees And Landscapes | 395,910 | 413,200 | 223,519 | 110,000 | 529,090 | 412,430 | 415,410 | 420,150 | Cost of Tree Preservation Order claim recently settled |
| | | | 5,890 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. | | | | | |
| Museum | (700) | (700) | (700) | 0 | (700) | (700) | (700) | (700) | |
| Playing Fields & Open Spaces | 49,025 | 49,025 | 63,614 | 210 | 49,235 | 47,405 | 47,475 | 47,555 | Changes in Business Rates for Council Premises |
| Play Rangers | 46,790 | 46,790 | 33,483 | 7,040 | 53,830 | 47,310 | 48,490 | 49,060 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Aquadrome | 8,090 | 8,090 | 25,175 | 80 | 8,170 | 7,570 | 7,670 | 7,780 | Changes in Business Rates for Council Premises |
| Leisure Venues | 16,320 | 153,320 | 55,604 | 0 | 153,320 | (22,500) | (315,500) | (605,910) | Variations in future years due to renegotiation of the Leisure Management Contract following no development of Sports Hall. |
| Leisure Development | 269,630 | 272,630 | 168,044 | (9,660) | 262,970 | 277,320 | 279,810 | 282,330 | |
| Play schemes | 66,270 | 66,270 | 35,563 | (16,520) | 59,470 | 65,450 | 65,450 | 65,450 | Increased income from schemes |
| | | | 9,720 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. | | | | | |
| Sports Development-Sports Projects | 25,340 | 25,340 | 20,676 | 1,450 | 27,610 | 25,340 | 25,340 | 25,340 | Increase in costs for projects. |
| | | | 820 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. | | | | | |
| Croxley Green Skate Park | 20,430 | 20,430 | 13,203 | (2,000) | 18,430 | 20,430 | 20,430 | 20,430 | Reduction in routine maintenance due to major refurbishment |
| Leisure & Community Services | 149,530 | 149,530 | 75,361 | (5,680) | 143,850 | 156,900 | 159,560 | 161,040 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Grounds Maintenance | 646,460 | 647,620 | 433,673 | 8,000 | 655,620 | 684,220 | 689,450 | 694,760 | |
| Total | 1,760,780 | 1,919,230 | 1,257,612 | 109,350 | 2,028,580 | 1,806,870 | 1,539,040 | 1,275,160 | |

| <i>Environmental Services</i> | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | Comments |
|--|---------------------------|-----------------------|------------------|-----------------|--------------------|--------------------|--------------------|--------------------|---|
| Sewerage | (40) | (40) | 0 | 40 | 0 | 0 | 0 | 0 | Removal of historic income budget for minor rechargeable works |
| Refuse Domestic | (17,520) | (17,520) | (21,663) | 0 | (17,520) | (16,190) | (16,190) | (16,190) | |
| Refuse Trade | (167,410) | (175,870) | (452,522) | 9,480 | (215,740) | (191,017) | (189,197) | (187,367) | Net increase in costs for the collection and disposal of waste, including fee income |
| | | | | (49,350) | | | | | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Recycling General | (15,910) | (15,910) | (9,035) | 0 | (15,910) | (15,910) | (15,910) | (15,910) | |
| Garden Waste | (902,000) | (911,000) | (950,534) | (2,840) | (913,840) | (926,600) | (926,600) | (926,600) | Additional fee income due to increase in demand |
| Clinical Waste | (13,190) | (13,190) | (35,215) | 24,070 | 10,880 | (40,110) | (39,810) | (39,520) | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Recycling Kerbside | (588,990) | (438,990) | 31,246 | (1,700) | (440,690) | (342,990) | (342,990) | (342,990) | Current year variance is due to net decrease in costs for the collection and recycling of waste, including payments received from Hertfordshire County Council. Future year variances due to increased costs of recycling cost dry recyclables. |
| Abandoned Vehicles | 750 | 750 | 216 | 0 | 750 | 750 | 750 | 750 | |
| Pest Control | 64,130 | 64,130 | 33,494 | 0 | 64,130 | 75,000 | 75,000 | 75,000 | Increase in the cost of pest control contract following the extension of the contract with Watford Borough Council. |
| Environmental Maintenance | 25,110 | 25,110 | (15,432) | 0 | 25,110 | 25,110 | 25,110 | 25,110 | |
| Animal Control | 49,350 | 49,350 | 27,046 | 0 | 49,350 | 50,010 | 50,390 | 50,780 | |
| Cemeteries | (167,890) | (167,890) | (142,531) | 540 | (167,350) | (171,060) | (170,130) | (169,850) | Changes in Business Rates for Council Premises |
| Environmental Protection | 378,400 | 378,400 | 250,970 | (8,610) | 369,790 | 420,350 | 426,590 | 431,890 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Depot-Batchworth | 38,130 | 38,130 | 38,486 | (470) | 37,660 | 38,170 | 38,710 | 39,250 | Changes in Business Rates for Council Premises |
| Waste Management | 2,469,390 | 2,479,810 | 1,636,143 | (53,910) | 2,425,900 | 2,549,170 | 2,566,100 | 2,583,200 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Environmental Maintenance Contractor | 493,930 | 495,370 | 306,248 | (12,040) | 483,330 | 519,290 | 522,300 | 527,320 | |
| Total | 1,646,240 | 1,790,640 | 696,916 | (94,790) | 1,695,850 | 1,973,973 | 2,004,123 | 2,034,873 | |
| Total Leisure Environment & Community | 4,262,490 | 4,608,240 | 2,443,856 | 15,960 | 4,624,200 | 4,732,183 | 4,496,453 | 4,269,913 | |

| Infrastructure Housing & Economic Development | | | | | | | | | |
|---|---------------------------|-----------------------|-----------------|-----------------|--------------------|--------------------|--------------------|--------------------|--|
| <i>Housing</i> | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | Comments |
| Housing Services Needs | 359,340 | 359,340 | 235,997 | 0 | 359,340 | 374,310 | 385,060 | 394,730 | |
| Rent Deposit Guarantee Scheme | 5,110 | 5,110 | 0 | 0 | 5,110 | 5,110 | 5,110 | 5,110 | |
| Herts Choice Homes | 21,000 | 21,000 | 0 | 0 | 21,000 | 21,000 | 21,000 | 21,000 | |
| Homelessness General Fund | (44,200) | (57,880) | (94,450) | (17,990) | (75,870) | 211,610 | 214,720 | 217,790 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Housing Associations | (5,000) | (5,000) | (2,500) | 0 | (5,000) | (5,000) | (5,000) | (5,000) | |
| Environmental Health - Residential Team | 95,690 | 95,690 | 81,185 | (19,860) | 75,830 | 99,620 | 101,430 | 103,760 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Total | 431,940 | 418,260 | 220,232 | (37,850) | 380,410 | 706,650 | 722,320 | 737,390 | |

| <i>Infrastructure & Planning Policy</i> | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | Comments |
|---|---------------------------|-----------------------|-----------------|---------------------|--------------------|--------------------|--------------------|--------------------|--|
| Land & Property Information | 4,100 | 100 | (21,689) | (310) | (210) | 3,350 | 4,500 | 5,670 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Land Drainage | 5,000 | 5,000 | 0 | (5,000) | 0 | 0 | 0 | 0 | Maintenance budget is no longer required. |
| Street Naming & Numbering | 7,130 | 7,130 | 1,245 | 0 | 7,130 | 7,130 | 7,130 | 7,130 | |
| Environmental Initiatives | 47,470 | 47,470 | 3,882 | 0 | 47,470 | 47,470 | 47,470 | 47,470 | |
| Development Management | 115,240 | 254,950 | 122,257 | 50,000 (107,380) | 197,570 | 195,150 | 61,830 | 72,390 | Reduction in application fee income (demand led) 110K and software licence budget transferred to ICT (60K) Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Director Community & Env Services | 119,600 | 119,600 | 84,065 | 4,610 | 124,210 | 126,060 | 127,310 | 128,590 | |
| Hertfordshire Building Control | 6,440 | (56,630) | (81,272) | 0 | (56,630) | (1,580) | (990) | (390) | |
| Development Plans | 344,390 | 392,820 | 55,294 | (82,470) | 310,350 | 264,390 | 267,890 | 271,710 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Total | 649,370 | 770,440 | 163,782 | (140,550) | 629,890 | 641,970 | 515,140 | 532,570 | |

| <i>Economic Development</i> | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | Comments |
|--|---------------------------|-----------------------|-----------------|-------------------|--------------------|--------------------|--------------------|--------------------|---|
| Fuel Voucher Scheme | 3,500 | 3,500 | 0 | 0 | 3,500 | 3,500 | 3,500 | 3,500 | |
| Parking & Street Enforcement | 10,000 | 29,490 | 12,282 | 0 | 29,490 | 0 | 0 | 0 | |
| Energy Efficiency | 19,500 | 19,500 | 0 | 0 | 19,500 | 19,500 | 19,500 | 19,500 | |
| Sustainability Projects | 48,960 | 54,790 | 11,400 | 0 | 54,790 | 48,890 | 49,140 | 49,380 | |
| Car Parking | (166,960) | 33,040 | (63,924) | (10,000) 1,590 | 24,630 | (183,370) | (182,310) | (181,830) | Increased income due to increased number of penalty charge notices and income from off street pay and display car parks Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Car Parking-Maintenance | 80,350 | 80,350 | 69,938 | (13,710) | 66,640 | 72,250 | 87,120 | 101,250 | Changes in Business Rates for Council Premises |
| Dial A Ride | 33,780 | 33,780 | 0 | 0 | 33,780 | 33,780 | 33,780 | 33,780 | An invoice for the first 6 months of the year is imminent. this is expected to be for £21k. The residual budget will fund the remaining 6 months and the final invoice from County is expected at the end of the financial year. |
| Cycling Strategy | 26,000 | 47,930 | 0 | 0 | 47,930 | 0 | 0 | 0 | £30k will be spent on cycling strategy. Procurement is expected to commence in January. The residual budget will be utilise for future marketing of the strategy and maintenance of sustainable transport. |
| Better Buses Fund | 60,570 | 100,850 | 9,929 | 0 | 100,850 | 86,570 | 86,570 | 86,570 | Invoice expected at the end of the financial year |
| Total | 115,700 | 403,230 | 39,625 | (22,120) | 381,110 | 81,120 | 97,300 | 112,150 | |
| Total Infrastructure Housing & Economic Development | 1,197,010 | 1,591,930 | 423,639 | (200,520) | 1,391,410 | 1,429,740 | 1,334,760 | 1,382,110 | |

| Policy & Resources | | | | | | | | | |
|------------------------------------|---------------------------|-----------------------|-----------------|------------|--------------------|--------------------|--------------------|--------------------|--|
| Resources & Shared Services | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variance £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | Comments |
| Director Of Finance | 64,540 | 64,540 | 52,723 | 0 | 64,540 | 66,990 | 68,240 | 69,520 | |
| Legal Practice | 345,310 | 345,310 | 217,152 | 0 | 345,310 | 357,390 | 363,100 | 368,270 | |
| Committee Administration | 151,150 | 151,150 | 87,004 | 0 | 151,150 | 155,710 | 158,360 | 159,930 | |
| Office Services | 468,660 | 468,660 | 299,364 | 10,950 | 479,610 | 472,150 | 475,040 | 477,370 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Elections & Electoral Registration | 123,070 | 123,070 | 81,609 | 2,040 | 125,110 | 126,380 | 127,670 | 128,970 | |
| Finance Services | 431,800 | 431,800 | 419,321 | 9,090 | 440,890 | 436,770 | 441,850 | 457,220 | |
| Revenues & Benefits Management | 87,330 | 87,330 | 32,066 | 0 | 87,330 | 90,510 | 92,880 | 93,830 | |
| Fraud | 104,220 | 97,220 | 76,492 | 670 | 97,890 | 100,090 | 102,230 | 104,390 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Chief Executive | 169,310 | 169,310 | 113,676 | 2,490 | 171,800 | 172,610 | 174,280 | 175,970 | |
| Performance Management & Scrutiny | 50,900 | 50,900 | 29,373 | 0 | 50,900 | 51,800 | 52,270 | 52,750 | |
| Debt Recovery | 190,770 | 190,770 | 203,877 | 7,450 | 198,220 | 167,620 | 172,080 | 177,930 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Three Rivers House | 354,480 | 321,480 | 248,282 | 5,720 | 327,200 | 333,710 | 340,410 | 347,310 | Changes in Business Rates for Council Premises |
| Basing House | (4,650) | (4,650) | (8,823) | 110 | (4,540) | (10,420) | (10,290) | (10,160) | |
| Officers' Standby Holding Acct | 6,140 | 6,140 | 0 | 0 | 6,140 | 6,140 | 6,140 | 6,140 | |
| Finance Client | 78,100 | 146,400 | 52,755 | (19,970) | 126,430 | 79,410 | 79,570 | 82,340 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Business App Maintenance | 0 | 0 | 240,563 | 174,200 | 174,200 | 193,200 | 193,200 | 193,200 | Budgets transferred from ICT Client 114K and Development Management 60K |
| ICT Client | 747,560 | 722,560 | 245,608 | (114,200) | 587,400 | 582,810 | 584,700 | 586,600 | Budgets transferred to new cost centre (above) for Business Application Maintenance |
| | | | | (20,960) | | | | | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Internal Audit Client | 71,460 | 71,460 | 44,111 | 0 | 71,460 | 71,460 | 71,460 | 71,460 | |
| Fraud Client | (2,910) | (2,910) | (476) | 0 | (2,910) | (2,910) | (2,910) | (2,910) | |
| Insurances | 402,960 | 453,220 | 448,468 | 0 | 453,220 | 453,220 | 453,220 | 453,220 | |
| VAT Shared Service Client Acct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Debt Recovery Client | (6,140) | 13,860 | (3,322) | 0 | 13,860 | (6,140) | (6,140) | (6,140) | |
| HR Client | 325,160 | 325,160 | 220,089 | 15,210 | 340,370 | 343,560 | 343,480 | 343,920 | Increase in payments for shared service provided by Watford Borough Council 8K. Additional cost of applicant tracking system 4K. One-off expenditure for training needs analysis 3K. |
| Corporate Management | 164,280 | 154,530 | 60,835 | 0 | 154,530 | 154,280 | 154,280 | 154,280 | |
| Democratic Representation | 285,750 | 287,060 | 196,171 | 2,000 | 286,670 | 295,360 | 295,360 | 295,360 | Increase in member training, as agreed at Policy & Resources Committee 5 November 2018 |
| | | | | (2,390) | | | | | Revised level of employer contributions to national insurance in respect of members' allowances |
| Benefits & Allowances | 741,550 | 741,550 | 588,165 | (2,200) | 739,350 | 672,800 | 678,640 | 698,640 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |

| <i>Resources & Shared Services</i> | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | |
|---|---------------------------|-----------------------|------------------|----------------|--------------------|--------------------|--------------------|--------------------|---|
| Benefits Client | (566,870) | (567,890) | 1,943,930 | 18,000 | (549,890) | (549,890) | (549,890) | (549,890) | Reduction in housing benefit subsidy |
| Benefits Non HRA | 0 | 1,020 | (132,390) | 0 | 1,020 | 1,020 | 1,020 | 1,020 | Income from Department of Works and Pensions (DWP) for non Housing related benefits. |
| Benefits New Burden | 0 | 0 | (126,295) | 0 | 0 | 0 | 0 | 0 | Income from (DWP) for the implementation of new initiatives within Revenues and Benefits Services |
| Benefits DHP | 0 | 0 | (5,805) | 0 | 0 | 0 | 0 | 0 | Income from DWP for Discretionary Housing Benefits |
| Council Tax Collection | 319,220 | 317,220 | (2,703) | (11,320) | 305,900 | 316,660 | 327,700 | 333,630 | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Business rates | 32,270 | 32,270 | 119,843 | 3,360 | 35,630 | 32,880 | 33,240 | 34,090 | |
| Council Tax Client | (186,140) | (186,140) | (82,201) | 0 | (186,140) | (186,140) | (186,140) | (186,140) | |
| NNDR Cost of Collection | (107,090) | (107,090) | (23,076) | 0 | (107,090) | (107,090) | (107,090) | (107,090) | |
| Register Of Electors | 36,800 | 36,800 | (7,657) | 0 | 36,800 | 36,800 | 36,800 | 36,800 | |
| District Elections | 76,320 | 92,320 | 101,426 | 0 | 92,320 | 76,320 | 76,320 | 76,320 | |
| Customer Service Centre | 810,410 | 810,410 | 529,091 | (2,360) | 808,050 | 896,650 | 913,680 | 939,270 | Reduction in stationery due to greater use of electronic communication 1K. Legal fees and hospitality budgets are no longer required 1K |
| Major Incident Planning | 91,990 | 91,990 | 69,954 | 0 | 91,990 | 93,270 | 93,950 | 94,640 | |
| Miscellaneous Income & Expenditure | 267,832 | 387,832 | 356,402 | | 387,895 | 267,957 | 167,959 | 167,959 | unidentified efficiency savings removed |
| Non Distributed Costs - Pension deficit | 236,000 | 236,000 | 234,176 | 0 | 236,000 | 236,000 | 236,000 | 236,000 | |
| Miscellaneous Properties | (105,430) | (107,430) | (149,772) | (60) | (107,490) | (104,660) | (104,220) | (103,760) | Changes in Business Rates for Council Premises |
| Asset Management - Property | 170,300 | 185,300 | 265,913 | (6,000) | 177,050 | 233,420 | 243,960 | 252,290 | Changes in Business Rates for Council Premises |
| | | | | (2,250) | | | | | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. |
| Garages & Shops Maintenance | (1,027,560) | (1,272,560) | (1,002,960) | (41,060) | (1,313,620) | (1,168,100) | (990,790) | (990,190) | Changes in Business Rates for Council Premises |
| Investment Properties | (1,000,000) | (1,000,000) | (235,078) | 200,000 | (800,000) | (900,000) | (1,000,000) | (1,000,000) | Revision to the estimate for the additional shop rents in the South Oxhey Initiative |
| Oxhey Drive | 10,850 | 10,850 | 300 | (1,400) | 9,450 | 9,690 | 9,930 | 10,180 | Changes in Business Rates for Council Premises |
| Vacancy provision | (120,000) | (120,000) | 0 | 120,000 | 0 | (120,000) | (120,000) | (120,000) | Variance takes account of revised employee estimates . |
| Total Policy & Resources | 4,289,702 | 4,256,822 | 5,798,183 | 347,183 | 4,604,005 | 4,429,272 | 4,491,623 | 4,604,595 | |
| Total All Committees | 9,749,202 | 10,456,992 | 8,665,678 | 162,623 | 10,619,615 | 10,591,195 | 10,322,836 | 10,256,618 | |

| Corporate Costs | Original Budget 2018/19 £ | Latest Budget 2018/19 | Spend to Date £ | Variances £ | Forecast Outturn £ | Forecast 2019/20 £ | Forecast 2020/21 £ | Forecast 2021/22 £ | |
|--------------------------------------|----------------------------------|------------------------------|------------------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|---|
| Interest Earned | (70,000) | (246,810) | (70,640) | (10,000) | (256,810) | (465,200) | (465,200) | (362,790) | Additional interest due to higher balances as a result of lower capital expenditure. |
| Interest Paid | 0 | 152,910 | 0 | (80,400) | 72,510 | 345,878 | 365,848 | 288,418 | The Council is unlikely to borrow in the 2018/19 for the redevelopment of the Leisure centre at South Oxhey. Future years include the cost of borrowing for the purchase of a property in Fairhaven Crescent. |
| Transfer to Reserves | (59,910) | (59,910) | 0 | 0 | (59,910) | (59,910) | (59,910) | (59,910) | |
| Parish Precepts | 1,921,233 | 1,921,233 | 1,921,233 | 0 | 1,921,233 | 1,959,660 | 1,998,850 | 1,998,850 | |
| Total | 1,791,323 | 1,767,423 | 1,850,593 | (90,400) | 1,677,023 | 1,780,428 | 1,839,588 | 1,864,568 | |
| Total | 11,540,525 | 12,224,415 | 10,516,271 | 72,223 | 12,296,638 | 12,371,623 | 12,162,424 | 12,121,186 | |
| PIDS (various) See Appendix 5 | 0 | 0 | 0 | 0 | 0 | 190,560 | 38,440 | 39,000 | |
| Total Net Expenditure | 11,540,525 | 12,224,415 | 10,516,271 | 72,223 | 12,296,638 | 12,562,183 | 12,200,864 | 12,160,186 | |
| Funding Changes | 0 | 0 | 0 | 0 | 0 | (412,370) | (118,010) | (350,580) | Changes in funding due to movement in the Council Tax Base and Council's acceptance into the Business Rate pilot scheme. |
| Total Net Budget | 11,540,525 | 12,224,415 | 10,516,271 | 72,223 | 12,296,638 | 12,149,813 | 12,082,854 | 11,809,606 | |

SERVICE COMMITTEES – VARIANCES

| Leisure, Environment & Community | | | | | | |
|----------------------------------|---------------------|---|--------------|---------------|---------------|---------------|
| Community Safety and Partnership | | | | | | |
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Community Safety | Supplies & Services | Increased demand for closure order legal costs | 5,000 | 5,000 | 5,000 | 5,000 |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | (360) | (660) | 410 |
| 0 | | | 340 | (710) | 360 | |
| 0 | | | 80 | (1,490) | 200 | |
| (53,130) | | | (3,650) | (5,360) | (3,560) | |
| Licensing | Income | Decrease in volumes of licences granted | 38,000 | 48,000 | 48,000 | 48,000 |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 11,530 | 390 | (380) | 580 |
| TOTAL | | | 1,400 | 49,800 | 44,400 | 50,990 |

| Leisure | | | | | | |
|------------------------------------|----------------------|---|----------------|-----------------|---------------|------------------|
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Abbots Langley project | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | 770 | 1,190 | 1,630 |
| Watersmeet-General | Premises | Changes in Business Rates for Council Premises | 0 | 7,400 | 13,930 | 21,640 |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | 14,200 | 13,130 | 16,320 |
| 0 | | | (12,900) | (13,060) | (12,680) | |
| Trees And Landscapes | Supplies & Services | Cost of Tree Preservation Order claim recently settled | 110,000 | 0 | 0 | 0 |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 5,890 | 11,580 | 9,200 | 13,940 |
| Playing Fields & Open Spaces | Premises | Changes in Business Rates for Council Premises | 210 | 290 | 360 | 440 |
| Play Rangers | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 7,040 | (430) | (250) | 320 |
| Aquadrome | Premises | Changes in Business Rates for Council Premises | 80 | 180 | 280 | 390 |
| Leisure Venues | Third Party Payments | Leisure Management Contract - Mgt fee as a result of renegotiation following no development of Sports Hall | 0 | (67,290) | 500 | (289,910) |
| Leisure Development | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (9,660) | (1,470) | (4,270) | (1,750) |
| Play schemes | Income | Increased Income for play schemes | (16,520) | 0 | 0 | 0 |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 9,720 | 0 | 0 | 0 |
| Sports Development-Sports Projects | Supplies & Services | Increased costs of projects | 1,450 | 0 | 0 | 0 |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 820 | 0 | 0 | 0 |
| Croxley Green SkatePark | Premises | Reduction in routine maintenance due to major refurbishment | (2,000) | 0 | 0 | 0 |
| Leisure & Community Services | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (5,680) | 3,810 | (9,470) | (7,990) |
| Grounds Maintenance | | | 8,000 | 26,820 | 8,620 | 13,930 |
| TOTAL | | | 109,350 | (17,040) | 20,160 | (243,720) |

| Environmental Services | | | | | | |
|---|----------------------|--|-----------------|----------------|----------------|-----------------|
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Sewerage | Income | Removal of historic income budget for minor rechargeable works | 40 | 40 | 40 | 40 |
| Refuse Trade | | Net increase in costs for the collection and disposal of waste, including fee income | 9,480 | (337) | (337) | (337) |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (49,350) | (940) | (3,060) | (1,230) |
| Garden Waste | Income | Additional fee income due to increase in demand | (2,840) | 0 | 0 | 0 |
| Clinical Waste | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 24,070 | (25,260) | (26,180) | (25,890) |
| Recycling Kerbside | Supplies & Services | Current year variance is due to net decrease in costs for the collection and recycling of waste, including payments received from Hertfordshire County Council. Future year variances due to increased costs of recycling cost dry recylates | (1,700) | 78,000 | 78,000 | 78,000 |
| Pest Control | Third Party Payments | Increase in the cost of Pest Control Contract following the extension of the contract with Watford Borough Council. | 0 | 10,870 | 10,870 | 10,870 |
| Animal Control | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | 0 | (280) | 110 |
| Cemeteries | Premises | Changes in Business Rates for Council Premises | 540 | 1,250 | 2,180 | 2,460 |
| Environmental Protection | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (8,610) | 28,410 | 23,580 | 28,880 |
| Depot-Batchworth | Premises | Changes in Business Rates for Council Premises | (470) | 40 | 580 | 1,120 |
| Waste Management | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (53,910) | 39,400 | 15,820 | 32,920 |
| Environmental Maintenance Contractor | | | (12,040) | 14,740 | 8,740 | 13,760 |
| TOTAL | | | (94,790) | 146,213 | 109,953 | 140,703 |
| Total Leisure, Environment & Community | | | 15,960 | 178,973 | 174,513 | (52,027) |

| Infrastructure Housing & Economic Development | | | | | | |
|--|--------------------|---|-----------------|-----------------|----------------|--------------|
| Housing | | | | | | |
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Housing Services Needs | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | (13,680) | (12,250) | (2,580) |
| Homelessness | | | (17,990) | 2,410 | 5,520 | 8,590 |
| Environmental Health-Residential Team | | | (19,860) | (1,280) | (3,250) | (920) |
| TOTAL | | | (37,850) | (12,550) | (9,980) | 5,090 |

| Infrastructure & Planning Policy | | | | | | |
|---|---------------------|---|------------------|-----------------|------------------|------------------|
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Land & Property Information | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (310) | (2,870) | (4,030) | (2,860) |
| Land Drainage | Premises | Maintenance budget is no longer required. | (5,000) | (5,000) | (5,000) | (5,000) |
| | Income | Reduction in application fee income (demand led) | 110,000 | 150,000 | 0 | 0 |
| Development Management | Supplies & Supplies | Transfer of Software Licensing budget to ICT | (60,000) | (60,000) | (60,000) | (60,000) |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (107,380) | (13,720) | (18,350) | (7,790) |
| Director Community & Env Services | | | 4,610 | 4,150 | 2,930 | 4,210 |
| Hertfordshire Building Control | | | 0 | 2,550 | 3,140 | 3,740 |
| Development Plans | | | (82,470) | (86,340) | (90,420) | (86,600) |
| TOTAL | | | (140,550) | (11,230) | (171,730) | (154,300) |

| Economic Development | | | | | | |
|--|--------------------|---|------------------|---------------|------------------|-----------------|
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Sustainability Projects | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | (460) | (700) | (460) |
| Car Parking | Income | Increased income due to increased number of penalty charge notices and income from off street pay and display car parks. Future years is adjusted to take account of current trends | (10,000) | 19,870 | 19,870 | 19,870 |
| | Premises | Parkeon software maintenance costs based on the number of machines that are operational | 0 | 15,000 | 15,000 | 15,000 |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 1,590 | 1,300 | 930 | 1,410 |
| Car Parking-Maintenance | Premises | Changes in Business Rates for Council Premises | (13,710) | (8,100) | 6,770 | 20,900 |
| TOTAL | | | (22,120) | 27,610 | 41,870 | 56,720 |
| Total Infrastructure Housing & Economic Development | | | (200,520) | 3,830 | (139,840) | (92,490) |

| Policy & Resources | | | | | | | | |
|--|-----------------------|--|--------------|--|--------------|--------------|--------|--------|
| Resources & Shared Services | | | | | | | | |
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ | | |
| Director Of Finance | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | 60 | (1,210) | 70 | | |
| Legal Practice | | | 0 | 4,840 | 1,640 | 6,810 | | |
| Committee Administration | | | 0 | (280) | (490) | 1,080 | | |
| Office Services | | | 10,950 | (2,980) | (3,250) | (920) | | |
| Elections & Electoral Registration | | | 2,040 | 940 | (290) | 1,010 | | |
| Finance Services | | | 9,090 | (4,930) | (10,020) | 5,350 | | |
| Revenues & Benefits Management | | | 0 | 2,020 | 3,180 | 4,130 | | |
| Fraud | | | 670 | 110 | (1,760) | 400 | | |
| Chief Executive | | | 2,490 | 100 | (1,560) | 130 | | |
| Performance Mgt & Scrutiny | | | 0 | 20 | (400) | 80 | | |
| Debt Recovery | | | 7,450 | (26,970) | (23,130) | (17,280) | | |
| Three Rivers House | | | Premises | Changes in Business Rates for Council Premises | 5,720 | 12,230 | 18,930 | 25,830 |
| Basing House | | | | | 110 | 230 | 360 | 490 |
| Finance Client | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (19,970) | 1,180 | 230 | 3,000 | | |
| Business App Maintenance | Supplies and Services | Budgets transferred from ICT Client £114K and Development Management 60K | 174,200 | 193,200 | 193,200 | 193,200 | | |
| ICT Client | Supplies and Services | Budgets transferred to new cost centre (above) for Business Application Maintenance | (114,200) | (133,200) | (133,200) | (133,200) | | |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (20,960) | (6,590) | (4,700) | (2,800) | | |
| HR Client | Third Party Payments | Increase in payments for shared service provided by Watford Borough Council 8K. Additional cost of applicant tracking system 4K. One-off expenditure for training needs analysis 3K. | 15,210 | 13,820 | 13,740 | 14,180 | | |

| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
|------------------------------------|-----------------------|---|----------------|----------------|----------------|----------------|
| Democratic Representation | Supplies and Services | Increase in member training, as agreed at Policy & Resources committee 5th November 2018 | 2,000 | 2,000 | 2,000 | 2,000 |
| | Employees | Revised level of employer contributions to national insurance in respect of members' allowances | (2,390) | 6,050 | 6,050 | 6,050 |
| Benefits & Allowances | | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (2,200) | (80,320) | (85,950) | (65,950) |
| Benefits Client | Transfer Payments | Reduction in housing benefit subsidy | 18,000 | 18,000 | 18,000 | 18,000 |
| Council Tax Collection | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (11,320) | (7,520) | (520) | 5,410 |
| Business rates | | 3,360 | 30 | (670) | 180 | |
| Customer Service Centre | Supplies and Services | Reduction in budgets for stationary due to a greater use of electronic communication. Legal fees and hospitality budgets are also no longer required. | (2,360) | (2,910) | (6,910) | (2,910) |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | 0 | 53,890 | 47,050 | 68,640 |
| Miscellaneous Expenditure /Income | Supplies and Services | Removal of unidentified efficiency savings | 0 | 100,000 | 100,000 | 100,000 |
| Major Incident Planning | Premises | Changes in Business Rates for Council Premises | 0 | 0 | (760) | (70) |
| Miscellaneous Properties | Employees | Changes in Business Rates for Council Premises | 0 | 560 | 970 | 1,400 |
| | | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (60) | 210 | 240 | 270 |
| Asset Management - Property | Premises | Changes in Business Rates for Council Premises | (6,000) | (6,000) | (6,000) | (6,000) |
| | Employees | Variance includes revised employee estimates which takes into account vacancies and changes in pay elements | (2,250) | 58,420 | 62,270 | 70,600 |
| Garages & Shops Maintenance | Premises | Changes in Business Rates for Council Premises | (41,060) | (40,540) | (39,830) | (39,230) |
| Investment Properties | Income | Revision to the estimate for the shop rents in the South Oxhey Initiative | 200,000 | 100,000 | 0 | 0 |
| Oxhey Drive | Premises | Changes in Business Rates for Council Premises | (1,400) | (1,160) | (920) | (670) |
| Vacancy provision | Employees | Savings from Council Vacancies | 120,000 | 0 | 0 | 0 |
| Tota Policy & Resources | | | 347,183 | 254,495 | 146,364 | 259,336 |
| Total Committee Variances | | | 162,623 | 437,298 | 181,037 | 114,819 |

| Corporate Budgets | | | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
|-----------------------------------|-----------------------|--|-----------------|----------------|----------------|----------------|
| Description | Main Group Heading | Details of Outturn Variances to Latest Approved Budget | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Interest Payable | | Future years include the cost of borrowing for the purchase of a property in Fairhaven Crescent. | 0 | 9,348 | 9,348 | 9,348 |
| | | The Council is unlikely to borrow in the 2018/19 for the redevelopment of the Leisure centre at South Oxhey. The amount in 2021/22 relates to the cost of borrowing for the new year of the Medium Term Financial Plan, which has not been previously reported | (90,400) | 0 | 0 | 200,000 |
| TOTAL | | | (90,400) | 9,348 | 9,348 | 209,348 |
| Total Variances | | | 72,223 | 446,646 | 190,385 | 324,167 |
| Revenue Growth Bids (PIDS) | | | | | | |
| Service | Main Group Heading | Description | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Community Partnerships | Employees | ASB Caseworker | | 16,840 | 17,370 | 17,720 |
| | | Community Safety Coordinator | | 20,860 | 21,070 | 21,280 |
| Leisure | Supplies and Services | South Oxhey Green Flag Facilitation works - Phase 1 | | 20,000 | 0 | 0 |
| ICT | | Migration to Cloud | | 104,000 | 0 | 0 |
| Total | | | | 161,700 | 38,440 | 39,000 |

| Revenue Implications of Capital growth bids | | | | | | |
|--|---------------------------|---|----------------------|----------------------|----------------------|----------------------|
| Service | Main Group Heading | Description | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| Property & Major Projects | Supplies and Services | Three Rivers House Transformation | | 28,860 | 0 | 0 |
| | | Total | | 28,860 | 0 | 0 |
| | | Total Revenue Growth Bids | | 190,560 | 38,440 | 39,000 |
| Funding Changes | | | | | | |
| | | Description | 2018/19 £ | 2019/20 £ | 2020/21 £ | 2021/22 £ |
| | | New Homes Bonus | | (40,670) | 0 | 0 |
| | | Council Tax Base Changes | | (114,143) | (118,010) | (350,580) |
| | | Business Rates Pilot | | (200,000) | 0 | 0 |
| | | Council Tax Surplus on collection fund. | | (57,557) | 0 | 0 |
| | | Total | | (412,370) | (118,010) | (350,580) |
| | | Total Variances for Period 8 (November) 2018 | 72,223 | 224,836 | 110,815 | 12,587 |

SCHEME FOR PRIORITISING GROWTH

| Criteria | Revenue Growth/Capital Bids | | |
|---|-----------------------------|-------------|--|
| | Score | Description | |
| Measure of Quality of Service | a | 3 | Maintaining Current Service |
| | | 6 | Improved Internal Service |
| | | 9 | Improved External Service |
| Customer Impact / Quantity of Service | b | 3 | Affects < 10% of residents |
| | | 6 | Affects < 50% of residents |
| | | 9 | Affects all residents |
| Links to Strategic Plan | c | 2 | Contributes to General Theme |
| | | 4 | Contributes to General Aim |
| | | 6 | Contributes to Specific Objective |
| Impact on Partners (as defined in the Community Strategy) | d | 1 | No impact on partner agencies or joint priorities |
| | | 2 | Impacts on 1 partner agency / priority |
| | | 3 | Impacts several partners / priorities |
| Partnership Funding | e | 1 | No Partnership Funding |
| | | 2 | Partly Funded by Partners |
| | | 3 | Fully Funded by Partners |
| Equalities | f | 1 | No impact on vulnerable groups |
| | | 2 | Impacts on one vulnerable group |
| | | 3 | Impacts several vulnerable groups |
| Asset Management | g | 1 | Not related to asset maintenance |
| | | 2 | Allowing asset to continue in use |
| | | 3 | Expenditure required to bring asset up to standard enabling service to continue (i.e. an element of 'backlog' repair exists) |
| Statutory/Discretionary Service | h | 1 | Entirely Discretionary |
| | | 2 | Partly Statutory |
| | | 3 | Entirely Statutory |
| Contractually Committed | i | 1 | No Commitment |
| | | 2 | Moral Obligation (e.g. SLA) |
| | | 3 | Contractually Committed |

PROPOSALS FOR GROWTH (not included in base budgets)

The growth items below were submitted as PIDs to the relevant service Committee in the November/ December cycle of meetings.

| | | | | Measure of Quality of Service | Customer Impact / Quantity of Service | Links to Strategic Plan | Impact on Partners (as defined in the Community Strategy) | Partnership Funding | Equalities | Asset Management | Statutory/Discretionary Service | Contractually Committed | Financial Implications | Invest to Save | Total |
|---|----------------|---------------|---------------|-------------------------------|---------------------------------------|-------------------------|---|---------------------|------------|------------------|---------------------------------|-------------------------|------------------------|----------------|-------|
| Revenue Growth Bids | | | | A | B | C | D | E | F | G | H | I | J | K | |
| Description | 2019/20 £ | 2020/21 £ | 2021/22 £ | | | | | | | | | | | | |
| ASB Caseworker | 16,840 | 17,370 | 17,720 | 6 | 3 | 6 | 2 | 1 | 3 | 1 | 2 | 1 | 0 | 0 | 25 |
| Community Safety Coordinator | 20,860 | 21,070 | 21,280 | 9 | 3 | 6 | 3 | 2 | 3 | 1 | 2 | 1 | 0 | 0 | 30 |
| South Oxhey Green Flag Facilitation works - Phase 1 | 20,000 | 0 | 0 | 9 | 3 | 4 | 2 | 2 | 1 | 2 | 1 | 1 | 0 | 0 | 25 |
| Migration to Cloud | 104,000 | 0 | 0 | 6 | 3 | 2 | 2 | 2 | 1 | 2 | 1 | 2 | 0 | | 21 |
| | | | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | | | 0 |
| Total | 161,700 | 38,440 | 39,000 | | | | | | | | | | | | |
| Revenue Implications of Capital growth bids | | | | | | | | | | | | | | | |
| Description | 2019/20 £ | 2020/21 £ | 2021/22 £ | A | B | C | D | E | F | G | H | I | J | K | Total |
| Three Rivers House Transformation | 28,860 | 0 | 0 | 6 | 3 | 2 | 3 | 1 | 1 | 2 | 2 | 1 | 2 | 2 | 25 |
| | | | | | | | | | | | | | | | |
| Total | 28,860 | 0 | 0 | | | | | | | | | | | | |
| Total All Growth Bids | 190,560 | 38,440 | 39,000 | | | | | | | | | | | | |

PROPOSED FEES & CHARGES (included in base budgets)

| Service | Description of income | 2019/20 | 2020/21 | 2021/22 |
|-------------------------------------|--------------------------------|--------------------|--------------------|--------------------|
| | | £ | £ | £ |
| Garages & Shops Maintenance | Rent-Garages | (962,920) | (962,920) | (962,920) |
| Land & Property Information Section | Search Fees | (120,010) | (120,010) | (120,010) |
| | Property Naming | (1,000) | (1,000) | (1,000) |
| Decriminalised Parking | On Street Parking PCN | (120,000) | (120,000) | (120,000) |
| | Off Street Pay & Display | (280,650) | (280,650) | (280,650) |
| | Permits | (100,000) | (100,000) | (100,000) |
| | On Street Pay & Display | (40,000) | (40,000) | (40,000) |
| | Parking Fees | (97,350) | (97,350) | (97,350) |
| Refuse Domestic | Fees-Special Commercial | (33,310) | (33,310) | (33,310) |
| Refuse Trade | Fees-Trade Refuse | (612,970) | (612,970) | (612,970) |
| | Fees-Bulky Domestic | (67,550) | (67,550) | (67,550) |
| | Fees-Collect Glass/Paper/Card | (39,520) | (39,520) | (39,520) |
| Garden Waste | Garden Waste Charge | (982,600) | (982,600) | (982,600) |
| Clinical Waste | Fees-Clinical Waste Collection | (108,150) | (108,150) | (108,150) |
| Animal Control | Fees-Other Licences | (3,920) | (3,920) | (3,920) |
| | Vets' Fees | (2,740) | (2,740) | (2,740) |
| Licences Taxis & Markets | Drivers Lic-Private Hire | (76,060) | (76,060) | (76,060) |
| | Vehicle Licences-Private Hire | (71,570) | (71,570) | (71,570) |
| | Operator Licences-Private Hir | (11,540) | (11,540) | (11,540) |
| | Fees-Other Licences | (61,160) | (61,160) | (61,160) |
| Cemeteries | Burial Fees | (92,460) | (92,460) | (92,460) |
| | Burial Rights Fees | (77,560) | (77,560) | (77,560) |
| | Memorial Fees | (10,900) | (10,900) | (10,900) |
| Watersmeet | Lettings & Hall Hire | (131,630) | (131,630) | (131,630) |
| | Box Office-Council | (180,400) | (180,400) | (180,400) |
| Trees And Landscapes | Hire Of Grounds | (6,130) | (6,130) | (6,130) |
| Playing Fields & Open Spaces | Football | (36,120) | (36,120) | (36,120) |
| | Rent-Buildings | (16,160) | (16,160) | (16,160) |
| Aquadrome | Leasing Charges | (12,890) | (12,890) | (12,890) |
| | Fishing Rights | (16,170) | (16,170) | (16,170) |
| Development Management | Pre-Application Advice | (78,890) | (78,890) | (78,890) |
| | Planning Application Fees | (546,420) | (696,420) | (696,420) |
| | Planning Conditions Fees | (9,930) | (9,930) | (9,930) |
| | TOTAL | (5,008,680) | (5,158,680) | (5,158,680) |

FINANCIAL AND BUDGETARY KEY RISKS

APPENDIX 7

| Date risk added to register | Risk ref | Risk owner | Category | Risk description | Comment | Likelihood score (inherent) | Impact score (inherent) | Inherent risk score | Risk controls | Risk control owners | Likelihood score (residual) | Impact score (residual) | Residual risk score | Risk direction | Action plan | Action plan owners | Action plan completion dates |
|-----------------------------|----------|---------------------|-----------|---|--|-----------------------------|-------------------------|---------------------|---|-------------------------------|-----------------------------|-------------------------|---------------------|----------------|--|----------------------------------|------------------------------|
| Sep-15 | FIN07 | Director of Finance | Strategic | The Medium term financial position worsens. | In that the general fund balance falls below the minimum prudent threshold and capital funding is insufficient to meet the capital programme. This appears as item no.8 in the Council's strategic risk register. | 3 | 4 | 12 | Regular budget monitoring reports to committees; Budgetary and Financial Risk Register reviewed and updated as part of the budget monitoring process; Early identification of budgetary pressure when reviewing the medium term financial plan during the budget setting process; Audited Statement of Accounts, including Annual Governance Statement. | Head of Finance | 3 | 3 | 9 | → | Service Reviews to identify efficiencies and additional income; Drive to increase Business Rate income; Drive to increase commercial income. Medium Term Financial planning. | Heads of Service/Head of Finance | Continuous |
| Apr-06 | FIN08 | Director of Finance | Budgetary | Revenue balances insufficient to meet estimate pay award increases | The medium term planning period takes into account increases for the period 2018/19 to 2020/21. If there is a change due to government policy, then every effort would be made to secure extra funding for any increase. | 4 | 3 | 12 | Multi year pay award includes 2019. Maintain reserves to guard against risk. Early identification of new pressures. | Head of Finance | 3 | 3 | 9 | ↑ | MTFS to review pay pressure beyond 2019. | Head of Finance | Dec-18 |
| Apr-06 | FIN09 | Director of Finance | Budgetary | Revenue balances insufficient to meet other inflationary increases | Other than contractual agreements, budgets have been cash limited where possible. | 2 | 3 | 6 | Monitor future inflation projections. Actively manage budgets to contain inflation. Maintain reserves . | Service Heads/Head of Finance | 3 | 1 | 3 | → | MTFS to review inflation assumptions | Head of Finance | Dec-18 |
| Jan-15 | FIN10 | Director of Finance | Budgetary | Interest rates resulting in significant variations in estimated interest income | The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy continues to place uncertainty on the investment strategy. The PIB strategy has diversified investment income to provide a more certain rate of return. | 2 | 3 | 6 | PIB strategy has diversified interest rate risk to provide income security. | PIB/Head of Finance | 3 | 1 | 3 | → | PIB to identify new income opportunities including financial investments and joint ventures. | PIB | Mar-19 |

| | | | | | | | | | | | | | | | | | |
|--------|-------|---------------------|-----------|---|--|---|---|---|---|-------------------------------|---|---|---|---|---|--------------------------|---------|
| Apr-06 | FIN11 | Director of Finance | Budgetary | Inaccurate estimates of fees and charges income | See Key Budget Indicators shown in the latest Budget Monitoring report. Green Waste and Parking charges monitored by Management Board at each meeting. | 4 | 2 | 8 | Budget levels realistically set and closely scrutinised | Service Heads/Head of Finance | 1 | 2 | 2 | ↓ | Fees and Charges to be reviewed as part of budget setting and estimates updated. | Service Heads | Mar-19 |
| Apr-06 | FIN12 | Director of Finance | Budgetary | Revenue balances insufficient to meet loss of partial exemption for VAT | If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vatable expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs. This is mitigated by close monitoring of exempt supplies and prudent VAT planning. The Council elects to tax on development schemes. | 2 | 4 | 8 | VAT Planning and opt to tax on schemes. VAT advisers employed. | Head of Finance | 1 | 4 | 4 | → | Maintain vigilance. Continue to opt to tax. | Head of Finance | ongoing |
| Dec-13 | FIN13 | Director of Finance | Budgetary | The estimated cost reductions and additional income gains are not achieved | Savings identified and included in the budget will be monitored as part of the budget monitoring process. Property income target of £1m will be achieved once recent acquisitions are completed. See fees and charges above. | 3 | 3 | 9 | Service Heads to take responsibility for achieving savings. Budget monitoring to highlight any issues to allow corrective action to be taken. | Service Heads/Head of Finance | 2 | 2 | 4 | ↓ | Budget process to clearly identify savings to be achieved and ensure clarity over responsibility over delivery. Savings to be challenged. | Head of Finance | ongoing |
| Apr-06 | FIN14 | Director of Finance | Budgetary | The Council is faced with potential litigation and other employment related risks | The Council has no outstanding litigation cases. | 2 | 3 | 6 | Council procedures are adhered to | Solicitor to the Council | 1 | 3 | 3 | → | Adherence to council procedures to be monitored and proceeedures maintained. | Solicitor to the Council | ongoing |
| Dec-13 | FIN17 | Director of Finance | Budgetary | Right to Buy Receipts & VAT Shelter Receipts | Under the housing stock transfer with Thrive Homes Limited (THL) the Council is entitled to use its share of the proceeds to fund the capital programme. The level of activity on these income streams are outside the Council's control. | 3 | 3 | 9 | <i>This arrangement comes to an end mid way through next financial year. Impact to be built into Capital programme and MTFS.</i> | Head of Finance | 4 | 2 | 8 | ↑ | Capital programme and MTFS to identify other sources of funding and review level of receipts. | Head of Finance | Mar-19 |

| | | | | | | | | | | | | | | | | | |
|--------|-------|---------------------------|-----------|--|--|---|---|----|---|---|---|---|---|---|--|---------------------------|------------|
| Dec-13 | FIN18 | Director of Finance | Budgetary | Fluctuations in Business Rates Retention | The Council is legally obliged to cover the first 7.5% loss on its pre-determined baseline level. From April 2020 the system will be subject to reset and increase to 75% retention. | 4 | 4 | 16 | Membership of the Hertfordshire Pool, currently bidding for pilot status for 75% retention for 2019/20. Maintain reserves against risk. | Head of Finance | 3 | 3 | 9 | ↔ | Hertfordshire pilot bid submitted 23 September 2018. Hertfordshire pilot status confirmed as part of local government finance settlement . | Head of Finance | Dec-19 |
| Mar-16 | FIN19 | Head of Property Services | Budgetary | Failure to deliver the South Oxhey Initiative to desired outcomes and objectives | This is a key project. This appears as item no.7 in the Council's strategic risk register. Phase 1 delivered. | 3 | 3 | 9 | Project management team appointed to advise Council; Project management processes in place and reviewed regularly; Policy and Resources Committee receive regular reports on progress of project | Head of Property Services | 2 | 3 | 6 | ↔ | Continue to manage project | Head of Property | Mar-19 |
| Jul-16 | FIN20 | Director of Finance | Budgetary | Failure of ICT systems | The Council's integrated Financial Management System (FMS) is held on an ICT platform. If this were to fail then potentially there will be a loss of functionality occurring during any downtime | 3 | 2 | 6 | System migrated to new platform. Downtime can be managed if short term and not at critical pints in the financial year. Financial System to be updated to latest version Q1 2019. Project plan agreed and initiated. | Head of Finance | 2 | 2 | 4 | ↔ | Monitor reliability | Head of Finance | ongoing |
| Mar-18 | FIN21 | Director of Finance | Budgetary | Property Investment | The Council set up a Property Investment Board in 2017 to manage its property portfolio in order to secure additional income of £1 million to support its general fund. Risk moving forward relates to ongoing income. | 2 | 3 | 6 | Portfolio to be actively managed to maintain income levels. Income to be reviewed regularly when MTFs is updated. | Head of Property Services | 1 | 3 | 3 | ↓ | PIB to assume responsibility for ongoing oversight. | Head of Property Services | Continuous |
| Sep-18 | FIN22 | Director of Finance | Budgetary | Financial Investment | The Council is currently negotiating the provision of two loans to local RSPs. It is likely that the council will need to borrow to fund the loans. The major loan has been agreed and is place. | 3 | 3 | 9 | Due diligence to include legal advice on vires and state aid and to ensure security is of sufficient value in relation to the loan. | Head of Finance/Head of Property Services/ Solicitor to the Council | 2 | 2 | 4 | ↓ | Loans to be agreed within PIB framework. | Head of Property Services | Continuous |
| Sep-18 | FIN23 | Director of Finance | Budgetary | Commercial Investment | The Council is currently exploring other commercial options to improve self sustainability. Currently there is a commercial income target of £1M which has been met. | 3 | 2 | 6 | Oversight mechanisms to be put in place to ensure oversight by PIB or similar mechanism. Council to determine approach to risk and level of income dependency within budget. | Head of Finance | 2 | 2 | 4 | ↔ | Monitor new developments | Head of Property Services | Continuous |

Reserves

| Revenue Reserves | Opening Balance 01/04/2018 £ | Movement in Year £ | Closing Balance 31/03/2019 £ | Purpose |
|-------------------------------------|------------------------------------|--------------------------|---------------------------------------|---|
| General Fund | (4,343,265) | 77,115 | (4,266,150) | Working balance to support the Council's revenue services. £2M is a suggested prudent minimum |
| Economic Impact (EIR) | (672,873) | (1,327,127) | (2,000,000) | To support the funding of unexpected/unplanned Council expenditure as a result of fluctuations in the economy. The movement in the year relates to the payback from the Business Rates account whose deficit in 2017/18 was funded from this reserve. |
| Building Control | (135,000) | 0 | (135,000) | To provide against future losses and/or borrowing against Hertfordshire Building Control Ltd |
| Total Revenue | (5,151,138) | (1,250,012) | (6,401,150) | |
| Capital Reserves | | | | |
| Capital Receipts | (5,392,158) | 2,108,915 | (3,283,243) | Generated from sale of Council assets |
| New Homes Bonus | (4,406,522) | 4,406,519 | (3) | Government grant set aside for supporting capital expenditure |
| Section 106 | (3,454,027) | 587,843 | (2,866,184) | Developers contributions towards facilities |
| Grants & Contributions | (192,139) | 0 | (192,139) | Disabled Facility Grants and other contributions |
| Reserve for Capital expenditure | (3,066,770) | 456,605 | (2,610,165) | Reserve set aside for supporting capital expenditure |
| Total Capital | (16,511,615) | 7,559,882 | (8,951,733) | |
| Other Earmarked Reserves | | | | |
| Leavesden Hospital Open Space | (769,124) | 0 | (769,124) | To maintain open space on the ex hospital site |
| Abbots Langley - Horsefield | (1,306,986) | 0 | (1,306,986) | Developers contributions towards maintenance of site |
| Community Infrastructure Levy (CIL) | (2,089,634) | 0 | (2,089,634) | Developers contributions towards Infrastructure |
| Environmental Maintenance Plant | (123,181) | 0 | (123,181) | Reserve to fund expenditure on plant & machinery |
| Total Other | (4,288,924) | 0 | (4,288,924) | |
| Total All | (25,951,677) | 6,309,870 | (19,641,807) | |