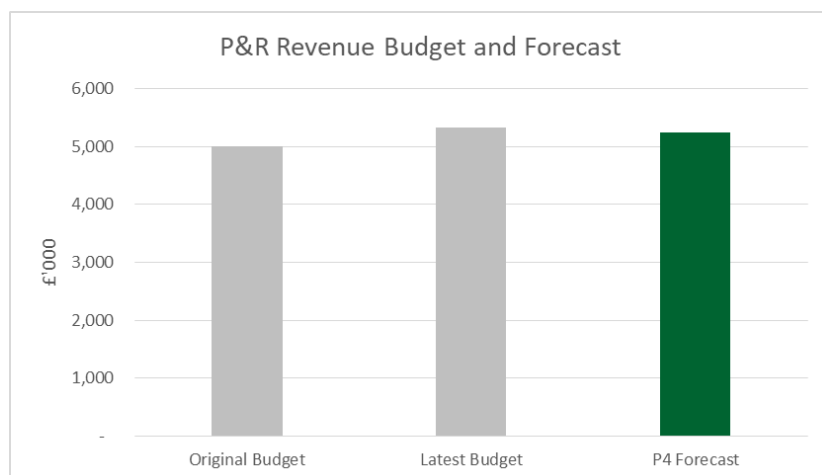


## Policy and Resources Committee Detailed Monitoring Report

1. This appendix sets out the detailed financial monitoring position for budgets within the scope of the Policy and Resources (P&R) Committee for the 2022/23 financial year. The forecast is based on the position as at Period 4 which covers the period from 1 April 2022 to 31 July 2022.

### Revenue

2. The latest forecast is net expenditure of £5.236m against the latest budget of £5.322m, a variation of (£0.085m). The latest budget includes the carry forward of budgets from 2021/22 as agreed by Council in July 2022. The detailed revenue budgets and MTFP forecast is set out in Annex A.



Service Area	Original Budget £000	Latest Budget £000	Yearend Forecast £000	Forecast Variation to Budget £000
Resources and Shared Services	6,869	7,195	7,409	215
Garages and Shops	(1,143)	(1,143)	(1,168)	(25)
Investment Properties	(1,100)	(1,100)	(1,100)	0
Vacancy Provision	(180)	(180)	(180)	0
Salary Contingency	550	550	275	(275)
<b>Total</b>	<b>4,996</b>	<b>5,322</b>	<b>5,236</b>	<b>(85)</b>

3. Annex B sets out the main variations to budget. The period 4 forecast includes the allocation of £0.275m salary contingency budget to staff budgets across the Council to reflect the pay award for 2021/22. The balance of the contingency budget is held to meet the pay award for 2022/23 which is yet to be agreed.

### Income Streams

4. The key income streams are detailed in Annex E. All are currently on target to achieve budget income levels in 2022/23.

### Capital Investment Programme

5. The latest capital investment budget is £18.375m. This includes budget of £10.471m carried forward from 2021/22 in relation to the purchase of pre-emption sites from Hertfordshire County Council.
6. A variation to budget of £0.352m is reported in relation to final the final settlement of costs to acquire sites in relation to the South Oxhey Initiative.

7. Detailed Capital budgets and explanation of key variations are set out in Annex C and Annex D respectively.

### Staff Vacancy Monitoring

8. A major risk of non-delivery of service is where key staff leave the Council's employ and there is a delay or difficulty in recruiting suitable candidates to fill the vacant post. There are no service impacts to report as a result of current vacancies.

9. The following table sets out the vacancies by service at 31 July 2022.

Department	Job Title	Comments	Total
Finance	Finance Manager (FA&T)	Offered	1.00
	Finance Manager (FA&T)	Offered	1.00
	Financial Services Officer (FA&T)	Post holder on secondment	1.00
	Finance Manager (FP&A) - Projects	Offered	1.00
Communications	Senior Communications Officer	Covered by Interim	1.00
Community Partnerships	Covid Community Engagement Officer	Not currently advertised	1.00
Property	Property and Asset Manager	Covered by Interim	1.00
Revenue and Benefits	Benefits Officer x 2	Covered by Interim	2.00
	Systems and Subsidy Lead Officer	Not currently advertised	1.00
	Revenues & Benefits Support Officer	Not currently advertised	1.00
	Billing Apprentice	Not currently advertised	1.00
	Billing Officer	Not currently advertised	1.00
	Recovery Apprentice	Not currently advertised	1.00
	Revenues Inspector	Not currently advertised	1.00
Legal & Committee	Principal Lawyer (Criminal Litigation)	Not currently advertised	1.00
	Committee Manager	Currently advertised	0.57
	Solicitor to the Council	Currently advertised	1.00
Democratic Services	Elections Manager	Covered by Interim	1.00
<b>Total P&amp;R</b>			<b>18.57</b>

## Annex A P&R Committee Medium Term Revenue Budget Service

Policy & Resources								
<i>Resources &amp; Shared Services</i>	Original Budget 2022/23	Latest Budget 2022/23	Spend to Date	Forecast Outturn 2022/23	Variance @ P4	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	
Director Of Finance	70,610	70,610	24,799	73,937	3,327	73,937	73,937	2021/22 1.75% pay award and 1.25% National Insurance increase
Communication	115,670	129,220	56,969	131,780	2,560	118,350	118,350	2021/22 1.75% pay award and 1.25% National Insurance increase
Legal Practice	395,725	395,725	174,142	406,209	10,484	408,144	408,144	2021/22 1.75% pay award and 1.25% National Insurance increase
Committee Administration	202,475	202,475	(7,949)	207,111	4,636	207,286	207,286	2021/22 1.75% pay award and 1.25% National Insurance increase
Office Services	232,810	232,810	35,854	233,560	750	232,810	232,810	Reduction in income due to reduced opening hours of Three Rivers House
Elections & Electoral Regn	129,420	129,420	123,900	132,487	3,067	132,662	132,662	2021/22 1.75% pay award and 1.25% National Insurance increase
Finance Services	457,875	457,875	183,947	482,352	24,477	465,067	465,067	2021/22 1.75% pay award and 1.25% National Insurance increase
Parliamentary Elections	0	0	54,559	0	0	0	0	2019 General Election claim currently with Cabinet Office.
Police Commissioner Election	0	0	13,347	0	0	0	0	May 2021 Election claim currently with Cabinet Office
Revs & Bens Management	36,250	36,250	18,680	38,769	2,519	38,769	38,769	2021/22 1.75% pay award and 1.25% National Insurance increase
Fraud	80,150	80,150	37,732	84,227	4,077	84,227	84,227	2021/22 1.75% pay award and 1.25% National Insurance increase
Chief Executive	176,060	176,060	66,682	180,568	4,508	180,568	180,568	2021/22 1.75% pay award and 1.25% National Insurance increase
<i>Resources &amp; Shared Services</i>	Original Budget 2022/23	Latest Budget 2022/23	Spend to Date	Forecast Outturn 2022/23	Variance @ P4	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	
Performance Mgt & Scrutiny	47,520	47,520	16,172	48,654	1,134	48,654	48,654	2021/22 1.75% pay award and 1.25% National Insurance increase
Debt Recovery	227,075	227,075	101,367	238,715	11,640	239,310	239,310	2021/22 1.75% pay award and 1.25% National Insurance increase
Executive Head of Service	0	0	28,482	0	0	0	0	
Three Rivers House	366,000	372,512	211,463	372,512	0	359,260	359,260	Budget will be spent
Basing House	(10,340)	(10,340)	12,341	(7,340)	3,000	(10,140)	(10,140)	Increase in budget required for Gas due to retrospective billing and increase in cost
Officers' Standby	6,140	6,140	0	6,140	0	6,140	6,140	Budget will be spent
Finance Client	115,780	165,780	(20,726)	169,618	3,838	119,738	119,738	2021/22 1.75% pay award and 1.25% National Insurance increase
Business App Maintenance	226,400	226,400	191,930	226,400	0	226,400	226,400	Budget will be spent
ICT Client	755,542	839,542	10,109	841,066	1,524	758,655	758,655	2021/22 1.75% pay award and 1.25% National Insurance increase
Internal Audit Client	71,460	93,374	0	93,374	0	71,460	71,460	Budget will be spent
Fraud Client	2,690	2,690	673	2,690	0	2,690	2,690	Budget will be spent
Insurances	353,220	353,220	377,592	353,220	0	353,220	353,220	Budget will be spent
Debt Recovery Client Acc	(6,140)	(6,140)	(650)	(6,140)	0	(6,140)	(6,140)	Budget will be spent
HR Client	333,736	333,736	29,321	333,736	0	334,113	334,113	Budget will be spent
Corporate Management	150,680	169,416	(6,636)	169,416	0	150,680	150,680	Budget will be spent
Democratic Representation	303,758	305,758	105,006	310,288	4,530	308,288	308,288	2022/23 1.75% increase for Members' Allowances/Remuneration
Benefits & Allowances	666,800	666,800	362,283	694,848	28,048	695,123	695,123	2021/22 1.75% pay award and 1.25% National Insurance increase
Benefits Client	(545,210)	(545,210)	2,154,506	(545,210)	0	(545,210)	(545,210)	Budget will be spent
Benefits New Burden	0	0	(47,851)	0	0	0	0	Grant monies received
Benefits Non Hra	1,020	1,020	(218,054)	1,020	0	1,020	1,020	Actioned at year end
Council Tax Collection	381,209	381,209	284,006	396,785	15,576	397,690	397,690	2021/22 1.75% pay award and 1.25% National Insurance increase
NNDR	55,090	55,090	45,018	57,110	2,020	57,110	57,110	2021/22 1.75% pay award and 1.25% National Insurance increase
Council Tax Client	(126,879)	(126,879)	0	(126,879)	0	(126,879)	(126,879)	

## P&amp;R Committee Medium Term Revenue Budget Service cont.

<i>Resources &amp; Shared Services</i>	<b>Original Budget 2022/23</b>	<b>Latest Budget 2022/23</b>	<b>Spend to Date</b>	<b>Forecast Outturn 2022/23</b>	<b>Variance @ P4</b>	<b>Forecast 2023/24</b>	<b>Forecast 2024/25</b>	<b>Forecast 2025/26</b>	<b>Officer Comments</b>
	£	£	£	£	£	£	£	£	
Nndr Cost Of Collection	(107,090)	(107,090)	0	(107,090)	0	(107,090)	(107,090)	0	
Register Of Electors	36,800	36,800	2,694	36,800	0	36,800	36,800	0	Budget will be spent
District Elections	76,320	76,320	129,523	76,320	0	76,320	76,320	0	Parish element of the May 2022 Elections to be recharged
Customer Service Centre	917,340	917,340	260,109	939,384	22,044	946,839	946,839	0	2021/22 1.75% pay award and 1.25% National Insurance increase
Major Incident Planning	100,230	100,230	23,477	101,944	1,714	102,064	102,064	0	2021/22 1.75% pay award and 1.25% National Insurance increase
Miscellaneous Income & Expend	25,003	25,003	(4,530,669)	25,003	0	25,003	25,003	0	Actuals include grant income
Non Distributed Costs	255,000	255,000	588	255,000	0	255,000	255,000	0	Actioned at year end
Customer Contact Programme	6,000	110,288	43,594	110,288	0	6,000	6,000	0	Budget will be spent
Customer Experience	0	0	25,026	0	0	0	0		
Miscellaneous Properties	(102,180)	(102,180)	(28,524)	(54,341)	47,839	(77,701)	(77,701)	0	Variance includes £25k Budget Transfer from Garages & Shops Maintenance and a £22.8k Increase in budget for Rates required as Sir James Altham pool is vacant and TRDC are responsible for NNDR
Asset Management - Property Services	378,545	403,725	231,103	415,029	11,304	398,609	398,609	0	2021/22 1.75% pay award and 1.25% National Insurance increase
Parish Elections	0	0	(8,416)	0	0	0	0	0	Ringfenced for future elections
County Elections	0	0	(13,896)	0	0	0	0	0	Ringfenced for future elections
Referendums	0	0	(28,249)	0	0	0	0	0	Ringfenced for future elections
Garages & Shops Maintenance	(1,142,960)	(1,142,960)	(397,518)	(1,167,960)	(25,000)	(1,169,030)	(1,169,030)	0	Budget transferred to Miscellaneous Properties to cover maintenance costs.
Investment Properties	(1,100,000)	(1,100,000)	(368,908)	(1,100,000)	0	(1,200,000)	(1,200,000)	0	
Kickstart	0	0	(333)	0	0	0	0	0	
Oxhey Drive	10,050	10,050	0	10,050	0	10,250	10,250	0	Budget will be spent
Vacancy Provision	(180,000)	(180,000)	0	(180,000)	0	(180,000)	(180,000)	0	
Salary Contingency	550,000	550,000	0	275,000	(275,000)	550,000	825,000	0	2021/22 1.75% pay award and 1.25% National Insurance increase
<b>Total Policy &amp; Resources</b>	<b>4,995,654</b>	<b>5,321,834</b>	<b>(241,385)</b>	<b>5,236,450</b>	<b>(85,384)</b>	<b>5,056,066</b>	<b>5,331,066</b>	<b>0</b>	

**Annex B**  
**P&R Committee Explanations of revenue variances reported this Period**

Policy & Resources					
Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £
Director Of Finance	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	3,327	3,327	3,327
Communication	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	2,560	2,560	2,560
Legal Practice	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	10,484	10,484	10,484
Committee Administration	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	4,636	4,636	4,636
Office Services	Income	Reduction in income due to reduced opening hours of Three Rivers House	750	0	0
Elections & Electoral Regn	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	3,067	3,067	3,067
Finance Services	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	24,477	24,477	24,477
Fraud	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	4,077	4,077	4,077
Chief Executive	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	4,508	4,508	4,508
Performance Mgt & Scrutiny	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	1,134	1,134	1,134
Debt Recovery	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	11,640	11,640	11,640
Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £
Basing House	Premises	Increase in budget required for Gas due to retrospective billing and increase in cost	3,000	0	0
Finance Client	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	3,838	3,838	3,838
ICT Client	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	1,524	1,524	1,524
Democratic Representation	Supplies and Services	2022/23 1.75% increase for Members' Allowances/Remuneration	4,530	4,530	4,530
Benefits & Allowances	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	28,048	28,048	28,048
Council Tax Collection	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	15,576	15,576	15,576
NNDR	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	2,020	2,020	2,020
Revs & Bens Management	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	2,519	2,519	2,519
Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £
Customer Service Centre	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	22,044	22,044	22,044
Major Incident Planning	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	1,714	1,714	1,714
Miscellaneous Properties	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	39	39	39
	Premises	£25k Budget Transfer from Garages & Shops Maintenance and a £22.8k Increase in budget for Rates required as Sir James Altham pool is vacant and TRDC are responsible for NNDR	47,800	25,000	25,000
Asset Management - Property Services	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	11,304	11,304	11,304
Garages & Shops Maintenance	Premises	Budget Transfer to Miscellaneous Properties to cover maintenance costs.	(25,000)	(25,000)	(25,000)
Salary Contingency	Employees	2021/22 1.75% pay award and 1.25% National Insurance increase	(275,000)	(275,000)	(275,000)
<b>Total Policy and Resources</b>			<b>(85,384)</b>	<b>(111,934)</b>	<b>(111,934)</b>
<b>TOTAL Variances for Period 4 (July) 2022</b>			<b>556,513</b>	<b>59,244</b>	<b>59,244</b>

**Annex C**  
**P&R Medium term capital investment programme**

Policy & Resources												
<i>Resources &amp; Shared Services</i>	Original Budget 2022/23 £	Latest Budget 2022/23 £	P4 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Latest Budget 2023/24 £	Forecast £	Variance £	Latest Budget 2024/25 £	Forecast £	Variance £	Comments
Professional Fees-Internal	157,590	157,590	0	157,590	0	157,590	157,590	0	157,590	157,590	0	This is for internal staff support on capital schemes and is actioned at the end of the financial year.
Election Equipment	6,000	11,216	2,706	11,216	0	6,000	6,000	0	6,000	6,000	0	Budget will be spent
Members' IT Equipment	16,260	62,950	0	62,950	0	16,260	16,260	0	16,260	16,260	0	Delay due supply issues. currently testing 2 models for implementation
ICT-Managed Project Costs	180,000	180,000	72,876	180,000	0	60,000	60,000	0	60,000	60,000	0	Budget will be spent
Hardware Replace Prog	55,000	57,324	0	57,324	0	40,000	40,000	0	40,000	40,000	0	Budget will be spent
Garage Improvements	220,000	351,996	46,090	351,996	0	150,000	150,000	0	150,000	150,000	0	Budget will be spent
ICT Licence Costs	130,000	130,000	0	130,000	0	100,000	100,000	0	100,000	100,000	0	Budget will be spent
Customer Contact Programme	0	3,698	0	3,698	0	0	0	0	0	0	0	Budget will be spent
ICT Website Development	0	14,870	0	14,870	0	0	0	0	0	0	0	Budget will be spent
ICT Elections	17,000	25,329	16,035	25,329	0	17,000	17,000	0	17,000	17,000	0	Budget will be spent
ICT Hardware Replacement Prog	45,000	45,000	0	45,000	0	50,000	50,000	0	45,000	45,000	0	Budget will be spent
TRH Whole Life Costing	280,000	313,950	47,951	509,950	196,000	170,000	170,000	0	170,000	170,000	0	Budget transferred from Three Rivers House Transformation to support the installation of an Air Source Heat pump for water and heating at Three Rivers House. The balance is being funded by a government grant and will provide sufficient carbon savings to support the Council's route to zero
Basing House-Whole Life Costing	60,000	60,000	180	60,000	0	60,000	60,000	0	60,000	60,000	0	Planned works to windows
Business Application Upgrade	180,000	184,500	0	184,500	0	90,000	90,000	0	90,000	90,000	0	Budget will be spent
Street Lighting Replacement	130,000	130,000	0	130,000	0	0	0	0	0	0	0	Budget will be spent
Three Rivers House Transformation	210,000	232,583	0	36,583	(196,000)	0	0	0	0	0	0	Budget transferred to Three Rivers House Whole Life Costing to support the installation of an Air Source Heat pump for water and heating at Three Rivers House. The balance is being funded by a government grant and will provide sufficient carbon savings to support the Council's route to zero
Property Information System	0	50,000	0	50,000	0	0	0	0	0	0	0	Budget will be spent
<b>Total</b>	<b>1,686,850</b>	<b>2,011,006</b>	<b>185,838</b>	<b>2,011,006</b>	<b>0</b>	<b>916,850</b>	<b>916,850</b>	<b>0</b>	<b>911,850</b>	<b>911,850</b>	<b>0</b>	
Major Projects												
<i>Major Projects</i>	Original Budget 2022/23 £	Latest Budget 2022/23 £	P4 Spend To Date £	Forecast Outturn 2022/23 £	Variance £	Latest Budget 2023/24 £	Forecast £	Variance £	Latest Budget 2024/25 £	Forecast £	Variance £	Comments
South Oxhey Initiative	0	0	350,848	351,764	351,764	0	0	0	0	0	0	Statutory Compulsory Purchase Order payment made. Final negotiations with one remaining tenant taking place which will require additional budget when final cost is ascertained
Property Investment Board	0	10,470,989	500	10,470,989	0	0	0	0	0	0	0	Completion of purchase of pre-emptions sites due to take place end of September 2022
<b>Total</b>	<b>0</b>	<b>10,470,989</b>	<b>351,348</b>	<b>10,822,753</b>	<b>351,764</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Policy &amp; Resources</b>	<b>1,686,850</b>	<b>12,481,995</b>	<b>537,186</b>	<b>12,833,759</b>	<b>351,764</b>	<b>916,850</b>	<b>916,850</b>	<b>0</b>	<b>911,850</b>	<b>911,850</b>	<b>0</b>	
<b>Total Capital Programme</b>	<b>7,038,260</b>	<b>18,375,175</b>	<b>1,173,101</b>	<b>18,766,939</b>	<b>391,764</b>	<b>3,056,550</b>	<b>3,056,550</b>	<b>0</b>	<b>3,564,350</b>	<b>3,564,350</b>	<b>0</b>	

## Annex D

### P&R Explanations of capital variances reported this Period

Policy & Resources				
Description	Details of Outturn Variances to Latest Approved Budget	2022/23 £	2023/24 £	2024/25 £
South Oxhey Initiative	Statutory Compulsory Purchase Order payment made. Final negotiations with one remaining tenant taking place which will require additional budget when final cost is ascertained	351,764	0	0
Three Rivers House Whole Life Costing	Budget transferred from Three Rivers House Transformation to support the installation of an Air Source Heat pump for water and heating at Three Rivers House. The balance is being funded by a government grant and will provide sufficient carbon savings to support the Council's route to zero	196,000	0	0
Three Rivers House Transformation	Budget transferred to Three Rivers House Whole Life Costing to support the installation of an Air Source Heat pump for water and heating at Three Rivers House. The balance is being funded by a government grant and will provide sufficient carbon savings to support the Council's route to zero	(196,000)	0	0
<b>TOTAL</b>		<b>351,764</b>	<b>0</b>	<b>0</b>

Annex E  
P&R Key Income Streams

<b>Garages and Shops</b>									
Garages	Month	2019/20		2020/21		2021/22		2022/23	
Rent		£	Volume	£	Volume	£	Volume	£	Volume
	April	(88,327)	11%	(74,513)	11%	(67,120)	18%	(76,062)	17%
	May	(71,154)	12%	(53,698)	13%	(84,598)	18%	(74,883)	17%
	June	(70,686)	12%	(107,919)	14%	(67,303)	18%	(75,841)	16%
	July	(87,862)	12%	(71,117)	16%	(68,901)	17%	(76,597)	16%
	August	(70,632)	11%	(70,223)	15%	(85,572)	17%		
	September	(87,994)	11%	(87,870)	15%	(66,891)	18%		
	October	(70,512)	11%	(70,789)	15%	(67,979)	17%		
	November	(70,692)	11%	(88,099)	15%	(86,494)	16%		
	December	(88,381)	11%	(70,203)	16%	(69,289)	17%		
	January	(71,217)	10%	(69,758)	16%	(87,711)	17%		
	February	(71,695)	10%	(69,793)	17%	(69,601)	16%		
	March	(89,818)	11%	(86,210)	17%	(69,067)	17%		
	<b>Total</b>	<b>(938,968)</b>		<b>(920,190)</b>		<b>(890,526)</b>		<b>(303,383)</b>	

**Comments:** The original budget for 2022/23 is £976,830. Lower level applied to those in the more difficult to let areas. There are currently 1,116 rentable garages. The void percentage is based on the rentable stock only.

Shops	Month	2019/20		2020/21		2021/22		2022/23	
Rent		£	Volume	£	Volume	£	Volume	£	Volume
	April	(70,392)	n/a	(66,330)	n/a	(46,828)	n/a	(46,495)	n/a
	May	(1,875)	n/a	31,706	n/a	0	n/a	0	n/a
	June	(53,825)	n/a	(38,627)	n/a	(30,853)	n/a	(37,853)	n/a
	July	(141,217)	n/a	(9,727)	n/a	(15,250)	n/a	(8,250)	n/a
	August	(21,358)	n/a	0	n/a	0	n/a		
	September	(69,147)	n/a	(38,245)	n/a	(38,245)	n/a		
	October	1,317	n/a	(10,796)	n/a	(8,250)	n/a		
	November	(3,897)	n/a	2,546	n/a	0	n/a		
	December	(70,049)	n/a	(37,853)	n/a	(37,853)	n/a		
	January	(13,125)	n/a	(8,250)	n/a	(8,250)	n/a		
	February	0	n/a	0	n/a	0	n/a		
	March	1,083	n/a		n/a	0	n/a		
	<b>Total</b>	<b>(442,487)</b>		<b>(175,576)</b>	<b>0</b>	<b>(185,528)</b>	<b>0</b>	<b>(92,598)</b>	<b>0</b>

**Comments:** The original 2022/23 budget is £210,000. There are 20 shops in the district which are predominantly let as self repairing leases. Each shop rent is negotiated at the best market rate taking into consideration local factors regarding usage, availability, affordability and community benefit.